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# ***JPRS Report***

## **Near East & South Asia**

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# Near East & South Asia

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REGIONAL

**Arab Ministers To Discuss Drugs, 'Cultural Invasion'**

44000021 Jeddah ARAB NEWS in English  
1 Dec 87 p 2

[Text] Tunis, Nov. 30 (SPA)—Interior Minister Prince Naif arrived here today at the head of a high-ranking delegation to attend the sixth Arab interior ministers' conference due to start in the Tunisian capital tomorrow.

He is carrying with him written and verbal messages from Custodian of the Two Holy Mosques King Fahd for Tunisian President Zein Al-Abidin Ben Ali.

Prior to departure from Riyadh, prince Naif said the council of Arab interior ministers will discuss a phased plan for the implementation of an Arab strategy to combat drugs and a report on the implementation of a united Arab security plan during its sixth conference.

In a statement to SPA, he said the Arab interior ministers will discuss a number of vital issues related to security and the Arab nation's aspirations to realize more cooperation and coordination in the field of criminology and to develop security organs as well as exchange expertise.

Referring to the issue of protecting the Arab youth from foreign cultural invasion, Prince Naif said the issue will come up for discussion in order to prevent this trend, which began its penetration in the Arab and Islamic world under different garbs and frames.

Prince Naif emphasized the importance of the conference which will endorse a security strategy and another plan to combat drug abuse.

Dealing with the Gulf security cooperation, Prince Naif said it is part of an overall Arab security and its role is complementary.

Prince Naif highlighted the role of the GCC interior ministers inside the Arab interior ministerial council to give momentum to cooperation and coordination among Arab states.

Asked to comment on the outcome of the Arab strategy to combat drugs after one year of its implementation, he said the council will review a report prepared by the council's secretariat general including details on the strategy's accomplishments.

Commenting on the rate of crime in Saudi Arabia, Prince Naif said the annual report of crimes in the Kingdom for the year 1407 (1987) had indicated a drop in the crime rate.

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EGYPT

**Nation Develops Large, Small Arms Production Capability**

45040022a Cairo AKHIR SA'AH in Arabic  
4 Nov 87 pp 12, 13

[Interview with War Production Minister Dr Jamal al-Sayyid by Usamah 'Ajjaj: "Egyptian Development of Tanks, Artillery and Missiles"]

[Text] Does Egypt have a war industry base that can meet the Egyptian army's need for arms and ammunition? Has this been able to achieve self-sufficiency for Egypt? In what areas? What has the Egyptian development of Eastern and Western arms been? How can we realize Egyptian-Arab integration in the area of war manufacturing? What is the truth of what is being bruited about, on Egypt's ability to produce and manufacture modern American M-1 tanks?

All these questions and requests for information were on the table of discussion with Dr Jamal al-Sayyid, minister of war production, who asserted to AKHIR SA'AH that arms marketing or commerce might not be the sole objective of the second defense equipment exhibition which will open next Monday, but that its objectives could include the sending of a warning message to any threats Egypt might be exposed to, now that its capability in war manufacture has grown.

[Question] At the outset, we would like to make a comparison between the first defense equipment exhibition held in 1984 and the defense exhibition which will be opened next Monday.

Dr Jamal al-Sayyid, the minister of war production, said:

"In my opinion, the exhibitions cannot be compared. The first exhibition, which was held 3 years ago, and the current exhibition will give us an opportunity to make a totally objective evaluation of what we have attained during these years, especially in the area of our prime concern, which is the Egyptian defense equipment exhibits. After that, there comes an evaluation of what we have achieved in participation with others. We are trying to observe, thirdly, the technological development the world has attained, in the East and West, in the manufacture of weapons. Nonetheless, this year's exhibition is distinguished by great size, in addition to another distinction — it will witness Egyptian exhibits which have developed and been added: these include, by way of example, not exclusively, intermediate, heavy and light ammunition and also armor and ammunition for armor, since we have introduced a development into this ammunition as a result of particular Egyptian combat thinking.

"It is well known that a single class of tank, for example, might not be found among a number of countries; rather, use differs as combat thinking differs. There also are

additions to Eastern tanks, the T-54, T-55 and T-62, with respect to fire management, tank cannon and consequently ammunition. This has helped extend their lives and presence in the operations theaters for a further period. This is the Egyptian method for catching up to technology in this area, especially since it is terribly expensive and it is difficult for us as a developing country to change it with the change and development of technology. Only the rich countries can do that. The developing ones, one of which is Egypt, take recourse in extending the life of equipment, so that, after its development, it will be in keeping with weapons of various orientations in the operations theaters."

### **The Development of Tanks and Anti-aircraft Artillery**

[Question] This prompts us to ask about what is new in the exhibition this year, from the Egyptian viewpoint. Although you have referred to some development in some equipment, the question still exists. Where are the Egyptian developments in weapons?

The minister of war production said:

"In reality, I have mentioned just one side of Egyptian developments, which is the development in tanks. This of course is not all the development. There has been development in anti-aircraft artillery and its placement on vessels and armored vehicles in participation with one of the most important French companies in the defense equipment field. There are two kinds of placements on armored track-driven vehicles, to keep up with the rapid movement of forces in the combat fields, and there is the development of rockets and missiles, and short-range artillery and missiles as well."

[Question] Is Egyptian participation in the exhibition just confined to the Ministry of War Production, to the exclusion of the other entities that manufacture defense equipment?

Dr Jamal al-Sayyid said:

"To the contrary, three entities are representing Egypt in the exhibition — the Ministry of War Production, which is the greatest share of exhibits, and also the Arab Manufacturing Authority and the armed forces companies and workshops. Egypt is occupying four large hangars for intermediate and small equipment which is being exhibited in the covered areas, and the heavy equipment, which is being exhibited in the open ones. In the exhibit the air force's development in Eastern planes, on which complete repairs are still being made, enabling them to perform their mission although their hypothetical lives have ended, and also the additions of armament to them and Egyptian additions to Western air-planes, will be apparent."

### **Tests on Artillery and Missiles**

[Question] Is the activity of the second defense equipment exhibition restricted to a presentation of modern war equipment alone, or does it include other approaches?

The minister of war production said:

"The exhibition has three major activities:

"First is what I mentioned, which is the display of equipment from countries and companies which have brought their exhibits and products.

"Second is a fire display which will show the extent of the action and capability of the equipment and its accuracy and speed of performance. Firing will be carried out by artillery, missiles and helicopters, since an exhibit will be made of the capabilities of the training aircraft manufactured in Egypt.

"Third is the holding of an international symposium at which more than 80 research works will be submitted by Egyptian and international scientists possessing a high level of specialization and quality. As a result of the compressed time of the symposium and the exhibition, we have contented ourselves with a presentation and discussion of 20 research works. They are not just confined to war production, but also discuss countries' combat thinking and the uses of technology. It is certain that the benefit of this symposium will be great as far as all the people participating in it, Egyptians, Arabs and foreigners, are concerned."

[Question] Is participation in this exhibition restricted to Western countries and companies alone, or has participation in it been made open to all?

Dr Jamal al-Sayyid said:

"To answer your question, I need only say that there are 17 countries from the five continents participating in the Cairo exhibition. Australia is participating in it for the first time, which is an affirmation of the importance and reputation of the Egyptian exhibition. Eastern and Western countries will be participating in it. There are France, America, England, Sweden, and Austria, and there are China, Yugoslavia and Hungary. There are more than 160 companies and entities, in the sense that China is participating via three organizations or bodies, each of which represents a massive number of companies specializing in the manufacture of ammunition and artillery. When we say that there are more than 160 companies, that is a number that is indeed immense, because the companies which have weight in the manufacture of defense equipment are limited, as they are not ordinary producers. The exhibition has not been confined to a specific area. We are permitting the East and the West to take part, so that there will be obvious integration in the two sides' equipment."

### The Arms Exhibition: A Warning Message

[Question] In the light of the call to reduce Egyptian military spending, is this exhibition compatible with this call, or is it imposing new burdens on Egypt which it can dispense with?

The minister of war production said:

"I can assure everyone that the exhibition is not costing us a single millieme. It has inputs and outputs, and we cannot in any way go beyond the outputs. Let us not forget that we are combining such sums as the price of the land rented for the exhibition by the meter in the enclosed and open areas and the practice exhibition, and we are not paying anything. When the exhibition ends there may be a surplus, although we are not evaluating it as a commercial situation. What concerns us is that we cover its costs. That was in fact the case with respect to the previous exhibition, which realized some surplus.

"God willing, that will be realized in this year's exhibition. Anyway, there are unforeseen gains. They might not consist of money going into the treasury but they are certainly useful and important. We are exhibiting our products in full to the visiting delegations and are exhibiting our abilities to supply all this equipment and ammunition and these missiles, vehicles and armored cars to friendly countries. This exhibit is not just to round out marketing activities, but sometimes it is a 'warning message.' When the specialized foreign visitors observe, and observe our intrinsic capabilities, a kind of deterrence arises for people who may be thinking of carrying out any aggression. The benefits also include the foreign companies which are trying to participate with us; when they observe the massive Egyptian industrial base, the agreement and contract processes are facilitated, in the context of the presence of extensive discussions among the users, who here are the representatives of the defense ministries in the participating countries, and the producers, which here is the War Production Ministry. We will become acquainted with other people's theaters of operations, and the equipment and weapons they might need which we can provide in our factories."

[Question] Where do we as an exhibition in Cairo stand among the international exhibitions with a history, importance and great scope?

Dr Jamal al-Sayyid said,

"The important international exhibitions can be counted on the fingers of one hand. These include, for example, the Bourget exhibition in France, which is an exhibition of airplanes and the industries feeding them and feeding the war industry in general. Airplanes carry bombs, cannon, ammunition and electronics. There is the Satori exhibition which is held once every 2 years, and is allocated to the land forces — infantry, air defense, armor and helicopters used to assist land forces. There is

the (Fanbarah), an exhibition of anti-aircraft equipment, and there are less important exhibitions in England and exhibitions which private sector companies set up in America. Our exhibition does not compete with these. It is held once every 3 years to give us an opportunity to show what is new in our development. It is held in November, which is an appropriate month in terms of the quality of the weather in Egypt, contrary to Europe. In general, our exhibition in Egypt has become one of the most important of the important regional ones."

[Question] What about the Arab countries' participation in the exhibition?

Dr Jamal al-Sayyid said:

"All the Arab countries are participating in the exhibition, since the companies, the Ministry of Defense, the National War Production Authority and the ministry have sent invitations to all Arab countries. There are Algeria, Morocco, Tunisia, the Gulf countries, Kuwait, the Emirates, Saudi Arabia, Oman, the Sudan, Iraq — all the Arab countries."

### Self-Sufficiency in Arms and Ammunition

[Question] In what fields can we confidently state that Egypt has realized self-sufficiency in the area of arms or ammunition manufacture?

The minister of war production said,

"We can say for example that Egypt is an ammunition-producing country. We cover 95 percent of the armed forces' need for ammunition, and we have the technical ability to produce the other 75 [sic] percent and create a surplus for export. However, production of the 5 percent is not economical at the present time. We cover our requirements of pistols, small machine guns, automatic rifles and light and intermediate machine guns, including hunting rifles. We have a surplus of these for export, and we produce intermediate artillery, which are the most important Z-U 23-millimeter cannons and the 122-millimeter field cannons. We are developing them and are carrying out two basic tasks which no one can perform. These are quantitative production and development at the same time. There also is the placement of cannons with a caliber of 23 millimeters on track-bearing vehicles. We have also changed the target-finding system, and that is installed with the system of radar-guided missiles and artillery. In general, there is a sincere Egyptian effort in this area, because there is nothing more important than providing weapons and ammunition in areas close to the theaters of operations, to prevent the application of any pressure from any direction."

[Question] The problem of the marketing of equipment is one of the basic ones facing arms manufacture. How has Egypt been able to get beyond this problem?

Dr Jamal al-Sayyid said:

"It is certain that war production and defense equipment follow the higher policy of the state in every country, be it Eastern or Western. That, even the production of private companies, is subject to the direct supervision of governments. We cannot dispose of the production by sale without special permission from the authorities. Therefore, exports are made to friendly bodies on which agreement has been reached by the countries and their governments. The type of arms trade might not be for the purpose of commerce or gain, even if it becomes a buttress of the economy; rather, it has many other gains which are unforeseen, among them what could be called the post-sales stage. Arms require ammunition and training which experts carry out and maintenance which technicians carry out. They are a means for creating strong relations with the countries that import them. In my opinion, it is a result of many factors and circumstances. The Arab and African markets are the field that is open to Egyptian defense equipment, and successes have been realized in this area."

### **The Integration of Egyptian War Manufacture**

[Question] There is an appeal on your part for the integration of Egyptian war manufacture. Could we have a definition of the various aspects of this integration? Is Egypt able to provide a minimum of it to Arab or African countries?

The minister of war production said:

"It is certain that the manufacture of weapons constitutes a part of national security. There are efforts being made on the part of all developing countries to enter the war manufacture field. Nonetheless, there remains the problem of financing. Even in the rich and European countries, we find them resorting to integrating their manufacturing. We find that there is an airplane in whose manufacture three European countries take part, so that the production will be economical, because it will thereby guarantee the distribution of production and coverage of the massive investment which goes into it. War industries are of the utmost complexity. They need a massive industrial base, including feeder industries. Egypt has such a base, since it has the three bodies which are working in the area of war production themselves — the ministry, the authority and the armed forces. We are also benefitting from the industries in the Ministry of Industry and also the private sector."

Dr Jamal al-Sayyid added:

"If the Arab and developing countries became integrated in order to create a kind of war industry, we will find that the massive investments will have some justification and the marketing will be economic. It will create a form of bringing together and unification of weapons, ammunition and equipment, and the training in these weapons, maintenance and spare parts and their availability will

be easier and military thinking closer. This applies to the Arab countries. Each of them tries to establish its own industries, and if they are integrated instead of being similar, they will give greater strength and opportunity for the manufacture of weapons in economic quantities, there will be ease in distribution and it will give all the Arab countries a strategic depth."

### **Manufacturing the Most Modern Tank in the World**

[Question] When Egypt reached agreement with America over the manufacture of the M-1 tank, the most modern tanks in the world, some biased analyses appeared which said that Egypt was not able to create such an advanced technology. What is the truth of that?

Dr Jamal al-Sayyid said,

"The M-1 tank was put in our plan with total agreement and coordination with and study by the armed forces. It is the most modern tank in the world. Copious studies were carried out before its selection from among other modern tanks, including the Leopard, the Challenger and the T-80, and we have succeeded in view of our good relations with America in manufacturing the most modern tank in the world. With a good look at what we are doing in the area of tank manufacture, we find that Egypt has a capability with every technology in this area. When the Eastern tanks broke down because spare parts were not available, Egypt managed to manufacture all the spare parts locally. We are manufacturing the cannon that is related to the tank in its entirety and the radio apparatus is manufactured in Egypt, as are the tank treads. This is not our first experiment in the area of tanks. We can manufacture the M-1 tank with extreme ease."

[Question] Has agreement been reached on having just 130 tanks produced? Do you believe that this quantity is sufficient for our needs?

The minister of war production said,

"Every plant must work three shifts, and it is in our plan to have a single shift working. The tanks need repair. We have taken the approach of making a plant for tanks and repair at the same time, and this is turning the plant into one that is economic in character."

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### **Air Force Chief Discusses Latest Developments**

45040022a Cairo AKHIR SA'AH in Arabic  
4 Nov 87 pp 11, 13

[Interview with Air Force Commander Maj Gen 'Ala' Barakat by Usamah 'Ajjaj: "There Are No Egyptian Pilots on Combat Mission Outside the Borders"]

[Text] Does Egypt possess the deterrent force to face any threat impinging on us? When will the new Mirage 2000 transaction be reached? What is the truth of what is

being circulated on the presence of Egyptian pilots in Kuwait? Has Egypt sold F-4 airplanes to Turkey? How is the air force reducing military spending? What about manufacturing in the airplane industry field? Air Force Maj Gen 'Ala' Barakat, the commander of the air force, gave this interview, in which he responded to the questions posed, exclusively to AKHIR SA'AH.

[Question] At the beginning, we wonder, do you believe that Egypt now actually has deterrent capability by possessing the most modern weapons and airplanes, especially the Mirage 2000 and the American F-16 airplanes?

The commander of the air force said:

"I can say without any reservation that Egypt now has a deterrent force and we are not stopping at having that — rather, we are working to develop this force, and this is assuming numerous directions, among them developing giant and fighter planes which represent the long arm of Egypt and increasing the air maintenance factor of the airplanes by means of fuelling aircraft. By modernizing and developing the fighters, I can say that the Egyptian deterrent is present in all strategic directions, and we have become fully able to confront any threat."

### The Technology of the American Airplanes

[Question] It is sometimes bruited about that when the United States supplies us with arms and equipment, especially in the area of fighter planes and their armament, it does not offer the product or the equipment as it is; rather, the technology existing in the airplane or the ammunition is reduced. What is the truth of this matter?

Air Force Maj Gen 'Ala' Barakat said:

"At the outset we must assert that every country has its own technology, which comes as a natural result of technological, technical and human progress, and every country, and this is a fact, may begrudge having all this technology go abroad. It is not reasonable that the producing country should offer the importing country all its modern resources or technological equipment. It resorts to the measure of giving the importing country a lower level than the technology it possesses. Another indisputable fact remains, which is that with the attainment by the producing country, whether it is Eastern or Western, of a more modern weapon or new development, guaranteeing it that it will stay at the top in the area of war manufacture, it releases the lesser technology to the countries which have priority as far as it is concerned. This is the truth of what is happening on the matter you raised."

[Question] Has Egypt actually made contracts for the giant planes which fuel fighters in the air? This was one of the points which were to have been completed in the procurement of arms for the air force.

The commander of the air force said:

"Let us say that we have completed all the studies and research bearing on these planes, which are considered of maximum importance for the air force. However, this is not to deny that such planes are costly and require massive funds, which is what is being discussed now, at the highest level, to arrange financing. It is certain that this highest level, represented by our political and military leadership, will reach agreement, and will reach agreement, God willing, in creating the financing, for its total understanding of the importance of these planes to Egypt's security, strength and supremacy. That is the first consideration in our choice of any new equipment."

### The Pressure of Military Spending

[Question] In spite of our total awareness of the importance of providing our air force with everything that is new in the world of arms procurement, the issue of military spending and the increase in the rates of this spending nonetheless always arises. Do you believe that the air force has a specific role which it is playing now in reducing these expenditures?

Air Force Maj Gen 'Ala' Barakat said:

"You must realize that according to all studies of an international strategic character, the magnitude of Egyptian military spending is totally appropriate in light of the magnitude of the threats to which Egypt is exposed, by comparing the volume of its spending with that of the countries surrounding us, in addition to what is spent per capita. I believe that the Egyptians, according to some statements, are just charged the price of a pack of cigarettes for defense. In spite of that, we in the armed forces in general and the air force in particular are working earnestly to reduce military spending to the lowest possible level, in more than one direction.

"First, the optimum use of equipment and planes through the reduction of operating hours, although we are faced with a difficult equation, which is how to reduce operating hours while needing the presence of an excellent level of training. This we are solving through what we call 'simulators,' in the sense that the pilot, technician or navigator receives training more than once on a simulator, which provides him with the total feeling that he is in a battle or on a mission, training, bombing or navigation. When he reaches a specific level in this training, we shift the training to the airplane itself.

"Second, what more is there than that we have continued to maintain all the equipment, especially the Eastern planes, whose hypothetical life has ended, and are still in service up to now, which means that we are saving much money which might be spent on the purchase of new planes, fighters, transports or helicopters?"



### No Pilots outside the Borders

[Question] We come to an issue of particular delicacy, which is what is being constantly stated in the media close to us on the presence of Egyptian pilots working in the ranks of the Kuwaiti air force and a number of other Arab countries. What is the truth?

The commander of the air force said:

"Write in my words that we do not have a single pilot outside the Arab Republic of Egypt carrying out a combat mission. Everything that is being bandied about is different and is totally incorrect. Nonetheless we do not deny that the Arab countries may seek the aid of some Egyptian experts in the area of instruction in their educational institutes, in the organization of their air forces and in training areas. In addition, cooperation with the Arabs assumes another form, which is the concern of many Arab countries to perform repairs on their airplanes which correspond to our types of airplane in Egypt, and there also is interest on the part of a number of Arab countries in carrying out helicopter operations in Egypt."

[Question] We wonder: Is the source of these rumors or personal theories the maneuvers the air force carried out in the recent October festivities?

Air Force Maj Gen 'Ala' Barakat said:

"What the air force carried out were ordinary maneuvers that have been planned for in an ongoing, permanent manner, and their date is set annually. We do not want to send a message to anyone through these maneuvers, but they are our training plan which we carry out. At the end of the training year, we must be reassured about the level our armed forces have reached in their main branches, and this is the story of the maneuvers."

### The Mirage 2000 Airplane Contract

[Question] With the arrival of the last two of the giant Mirage 2000 fighter deal airplanes, the deal on these airplanes will be completed, after the massive efforts President Husni Mubarak and Field Marshall Abu Ghazalah exerted. Do you believe that there is a possibility for reaching a contract on a new deal of this type?

The commander of the air force said:

"I might not be broadcasting a secret if I tell you that a contract supplementary to the first one exists; this has been initialled and is ready to be executed, in the event the necessary financial credits are made available. The contract is ready, with its sections and the time intervals for the delivery of the airplanes, but the issue lies in the economic crisis the whole world and not just Egypt is passing through. We will in cooperation with the French party carry out the contract immediately."

[Question] Let me come back and once again ask, in the context of the tremendous magnitude of the threats surrounding us and in the context of the escalation of the arms purchases in the neighboring countries, do you believe that the air force, with what it possesses, has the ability to face these threats, especially since the air force is the long arm of Egypt and its own deterrent weapon?

[Answer] Let me come back and answer, so that the whole Egyptian people may be reassured, that Egypt is totally able to confront all the threats and challenges which might face it or threaten it, and this is sufficient.

### An Exceptional Air College Class

[Question] What is the significance of the opening of admissions to the Air Faculty to university graduates and draftees and the request for an exceptional new class?

The air force commander said:

"The significance is confined to the following: the air force tries to provide the quantity of young people it needs by increasing its selection base. We have found that restricting admissions to general secondary graduates might not be adequate for the plans the air force has made. There might be a young person in whose spirit the feeling of serving as a fighter pilot has taken root. Why should I deprive him of this opportunity? Why should I deprive myself of such personnel, especially since pilots need mental and physical abilities which might not be present in a number of young Egyptians? In addition, we are now expanding the number of pilots, before we bring the planes."

[Question] Since there are 32 types of airplane in the service of the Egyptian air force, should that be reckoned among the points of weakness or strength?

[Answer] To begin with, carefully studied diversification in this case is an element of strength and diversification which is not carefully studied is an element of weakness. Moreover, the 32 types are not all fighter planes. There are transports, helicopters and the provision of combat workers, which in our case, in the light of our combat thinking, is a factor of confidence. We must realize that upon choosing a type of airplane, we arrive at a specific conviction. For instance, some people sometimes wonder why we obtained the F-16 airplane instead of the F-15.

[Question] In fact, that was one of my questions!

[Answer] For a simple reason. Sometimes operational and economic circumstances might constitute an incentive for you to study all your offers, and, applying that to the F-15, we find that it is an air mastery airplane which performs a specific mission which might need a low-cost airplane, but we carry out numerous operations, and this

is clear with the F-16. We find that 85 percent of them carry out air combat actions, and they penetrate in depth and perform ground support.

### No Sale of Airplanes to Turkey

[Question] The rumor of Egypt's sale of F-4 airplanes to Turkey is frequently being repeated. Indeed, it has come to have a perennial character. Do you believe that the plane's combat mission in the air force has ended, so that it may be gotten rid of through sales?

Air Force Maj Gen 'Ala' Barakat said:

"The F-4 is an excellent plane which performs what has been planned for it with total competence and it is being developed. By raising its level of performance, it can keep going until after 2000. What reason is there to sell it? There is a maintenance base and there is expertise acquired in the pilots and technicians. Why should we relinquish them lightly? Therefore, what is being circulated about the sale of the Phantom aircraft or the F-4s to Turkey is not true."

[Question] In the framework of the improvement of Egyptian relations with the Soviet Union, is there a possibility for benefiting from that in solving the crisis of the supply of spare parts for the Soviet equipment?

[Answer] It is possible to benefit from this, especially as far as the Eastern planes which are still in service go, but we cannot succumb to the problem of spare parts again. For example, we manufactured spare parts for the MiG-21 which enabled it to increase range and increase the power of the engine, improved the navigation systems and the density of fire, and developed arms procurement, to the point where we can say that there is a wholly Egyptian MiG-21.

[Question] We come to the issue of war manufacture. How far has the level of Egyptian manufacture in airplanes gone?

[Answer] Although we are not a manufacturing body, we hope that the manufacture of all our airplanes will take place inside Egypt. Manufacturing takes place with joint cooperation between the air force and the aviation industry. We are carrying out repairs on Eastern airplanes of all types and contract is being made to build special workshops for the repair of the most modern F-16 and Mirage 2000 air combat planes. We are manufacturing numerous spare parts for the Alpha Jet and Gazelle airplanes and are manufacturing some parts for France itself and manufacturing with America to fabricate some parts of the F-16 engine and parts of the fuselage.

[Question] What about the American F-16 fighter planes? Has Egypt rounded out all its requirements for these planes?

The commander of the air force said:

"I might not be broadcasting a secret if I say that we will round out all our requirements for the American F-16 fighter plane in the middle of next year. We have made modifications on them which have brought Egypt indeed to have two types of this class, one of them more modern than the other, since use will be made of the advantages of the second class or the second type in the first, so that all the airplanes will be prepared to perform all missions. In general, I repeat that Egypt is now at a high level of competence in the air force field, now that it has been supplied with F-16 and Mirage 2000 aircraft and the American early warning Hawkeye A2C aircraft."

11887

### Minister of Supply Discusses Products Shortage 45040019 Cairo AKHIR SA'AH in Arabic 11 Nov 87 pp 12, 13

[Interview with Minister of Supply and Trade Dr Jalal al-Din Abu-al-Dahab by Suhayr al-Husayni in Cairo; date not given]

[Text] What is the truth about the poultry problem? Why are the poultry farm owners threatening to halt production? Is it true that the Ministry of Supply's price list is not compatible with the real production cost? Was the recent rise in the cost of animal feed the reason behind the incompatibility of the price list with the poultry farm expenses.

Also, why have oil, margarine, and soap disappeared?

What is the reason for the shortage in these basic commodities? Who is responsible for these sudden shortfalls in supplies and when will those commodities reappear in the market?

When will the rise in meat prices stop and the compulsory price list enforced, after this sudden and sharp rise under the unofficial meat price list? Also, when will the consumer stop complaining about the bread quality?

AKHIR SA'AH took all these questions and others that are the cause of concern for every Egyptian home and put them before the person the most responsible for supply in Egypt, Dr Jalal al-Din Abu-al-Dahab in his capacity as minister of supply and internal trade and had a frank discussion with him.

The explosive issue between the Ministry of Supply and the owners of poultry farms was the first topic of this frank discussion with Minister of Supply and Internal Trade Dr Jalal al-Din Abu-al-Dahab. The reason for this situation, according to the farm owners, is the Ministry of Supply's unfair price list in light of the continuing rise of the cost of animal feed.

Dr Jalal Abu-al-Dahab says:

I do not think that there is a real problem with regard to poultry. The ministry is working to provide poultry through its normal outlets and through al-Nil and al-Ahram consumer societies. For example, half a million eggs are being daily supplied in greater Cairo at the price of 2.40 pounds and 2.70 pounds per tray; that is at 8 to 9 piasters per egg only.

Note: The poultry farm owners want the price to be over 10 piaster per egg.

[Question] What about the complaint by poultry farmers in the private sector that it is difficult to sell the egg for 10 piasters while the cost of animal feed is continuously rising, thus causing the closure of numerous small farms recently because of their inability to bear the production costs?

[Answer] The Ministry of Supply is currently conducting a study on this subject. This study deals with all the factors relating to egg production.

[Question] What about the disappearance of oil, margarine, and soap and their shortage in the markets? When will these basic commodities become available?

[Answer] There is a fact that must be clarified before entering into details.

The citizens have the wrong idea about the role of the Ministry of Supply. This ministry's responsibility is distribution and not production. In other words, we receive whatever commodities are delivered to us whether by the industrial sector or the agricultural sector and then distribute them.

Dr Abu-al-Dahab adds:

In fact, in order to facilitate matters for the sectors dealing with it the ministry saw it fit, with respect to importing basic raw materials such as fats for the manufacture of margarine and soap and millet for the manufacture of animal feed, that this task be assigned to the principal parties concerned. Therefore, the Ministry of Industry has undertaken the import of processed fats and the Ministry of Agriculture the import of millet. Consequently, allocations in the foreign currency budget for importing these raw materials were transferred to the ministries of industry and agriculture more than a year ago so that every sector would be responsible for importing and producing the country's needs of the various commodities.

The adoption of this measure coincided with the rise of the dollar and free currencies rate of exchange in relation to the Egyptian pound and with the decline of foreign currency resources from abroad. This has led to the creation of some shortages in certain basic commodities at various times.

Certain partisan papers have exploited what happened and sought to exaggerate matters and incite public opinion. This was at a time when all the government agencies were doing all they can to deal swiftly with the shortage of certain commodities.

[Question] Is it not one of the tasks of the Ministry of Supply to satisfy the masses' need for basic food supplies?

[Answer] We do as much as we can to ensure just distribution of the commodities available to us in the markets while controlling their distribution and prices in a regular and systematic manner through the appropriate departments, whether the supply inspection or the ministry's control department.

Since I joined the cabinet I have sought as much as possible to achieve abundance through cooperation between the public and private sectors. In other words, by encouraging the public sector to import in order to meet the shortage in certain commodities and the market's needs as well as to enhance local production. The Ministry of Supply's outlets undertake distribution and supply of commodities throughout the republic so that the consumer can obtain his needs at suitable prices through the outlets available in various parts of the provinces and to prevent bottlenecks.

Dr Jalal Abu-al-Dahab adds:

In order to achieve this objective the Ministry of Supply cooperates with the public and private sectors and assumes the responsibility of delivering commodities to the various consumer locations. The ministry also sacrifices a portion of the distribution cost and profit margins and is satisfied with a lower percentage of covering the basic distribution expenses. By so doing we ensure that the commodities reach the consumer at a cost at least 10 percent less than similar commodities offered in the market. In this regard the ministry is also interested in developing and renewing its own distribution outlets while seeking to increase them in the popular areas and newly inhabited areas in order to meet the needs of citizens.

All this aims at realizing the principle of balanced pricing which is considered to be one of the ministry's basic tasks. It also aims at reassuring the citizens in obtaining their needs at anytime and at suitable prices.

[Question] On what basis does the ministry work out a fixed price list for commodities, particularly since it is being said that your interference with pricefixing and not allowing commodity prices to be subject to supply and demand is one of the reasons for the disappearance of commodities and their rising prices?

[Answer] In this respect the Ministry of Supply always adopts the consumer's view, which does not mean that it would be unfair in providing supply services at a suitable

price. Adopting the consumer's view does not mean that we should be unfair to any of the sources at which the price is determined beginning with the producer or the marketing facilities such as transportation, storage, and display. All these involve cost and profit which are taken into consideration in pricefixing.

Furthermore, commodity prices are fixed in accordance with the policies and guidelines primarily set by the state. For example, principal commodities, such as bread, flour, sugar, oil and tea are sold in accordance with a compulsory price list and have their own distribution system as in the case of rationed supplies.

The Minister of Supply adds:

With regard to the group of commodities known as commodities with fixed profit, their cost is being studied at the ministry's pricing departments and the rate of profit is fixed in accordance with supply decisions. For example, a percentage is fixed for the wholesaler and for the retailer. There is also the manufacturing profit. These percentages are fixed by ministerial decisions whether by the Ministry of Agriculture or the Ministry of Supply and Internal Trade. All these are governed by supply decision 163. A compulsory price list is fixed for these commodities.

Dr Jalal al-Din Abu-al-Dahab continues:

There is another category of processed food commodities or those imported by the private sector. These are governed by decision 121 which determines the profit margin for the importer, the wholesaler, and the retailer. The cost of these commodities and their sale price to the consumer are determined in this manner.

There is a third group which is the seasonal commodities whose price is determined either in accordance with a compulsory price list or an unofficial price list on the basis of cost, such as fruits and vegetables. The pricing of this group is done by a central committee in the supply directorate in Cairo province, Cairo being the biggest consumer center in the republic. Represented at the committee are officials from the ministries of industry and supply as well as producers and merchants delegated by the appropriate branches in the Chamber of Commerce.

[Question] How binding is the unofficial price list to the merchant and are there specific penalties for violating it?

[Answer] The unofficial price list means that there is a friendly agreement between the merchants and the supply directorate responsible for declaring the price of the produce within a specific period of time. As soon as agreement on the unofficial price list is reached, the merchants who agreed with the ministry must oblige the merchants with whom they deal to declare the fixed price and to abide by it. The ministry must also declare the price to the consumers.

The Minister of Supply adds:

If supply inspection teams, during an inspection tour, find out that merchants are not abiding by the declared price list, this would be a violation because price declaration is compulsory and not unofficial in accordance with decision 263 on pricing and determining profits. Violation is a misdemeanor the punishment for which could be confiscation [of goods], imprisonment, and fine. This is done within the ministry's responsibility to maintain a balance between the actual cost of commodities and their sale price and so as to prevent overpricing. The compulsory pricing is not a condition for all commodity transactions; rather it is applied to certain essential commodities and under certain conditions.

[Question] What are the conditions required by the compulsory pricing?

[Answer] Establishing reasonable supply versus demand; and establishing a balance of what is supplied through the ministry's protected outlets in order to create some kind of competition and to control the market. If a commodity disappears without a substitute for it being available, the consumer will suffer especially when the matter involves a commodity that can be hoarded. Some merchants hoard a certain commodity so that when it goes bad they will not be subject to blame or to being forced to reduce its price.

I would like to say here that often the consumer helps the merchant in not abiding by the price list by forsaking his right to obtain the commodity at the posted price

[Question] It is also noted that the recent hike in the price of imported foodstuffs give rise to doubts that there is no control on these commodities.

[Answer] Our local production of foodstuffs is not enough; the shortfall ranges between 25 and 60 percent, with the exception of vegetables and fruits which meet the market's needs 100 percent. Therefore, we are compelled to import from abroad through public sector or the private sector in order to meet our need for foodstuffs. It must be pointed out in this regard that we have no control on prices of world products. World inflation is exported to us with the import of commodities at world prices because our currency is linked to the dollar. The dollar's exchange rate could drop abroad and at the same time rise in Egypt. This means an increase in the price of imported commodities despite the drop in the dollar rate abroad. This causes prices to rise and the dollar rate to go up internally, which in itself means yet another rise in prices. Consequently, prices of imported goods are affected and their prices go up from time to time.

The Minister of Supply adds:

On its part the ministry reduces profit margins on commodities it distributes, whether these are imported by the public sector or private sector, in order to contribute to reducing prices as much as possible.

We hope that local production of food commodities will increase so that we can reduce their imports. Also the citizens must be urged to reduce their consumption so that we will not be in constant need for imports. In other words, if the consumer realized what the cost of subsidized and nonsubsidized commodities is, he would seek to reduce consumption in order to participate with the state in easing the financial burdens.

[Question] There has been a tremendous rise in meat prices recently. Is this due to shortage in the quantities of meat which the state provides, whether the meat is produced locally or imported, thus allowing the private sector to control the market?

[Answer] With regard to meat, the ministry is doing all it can in order to balance the prices in the local market by offering meat produced by the Ministry of Agriculture or imported from abroad with subsidized prices at the source of origin. In any case, enlightening the public on economizing in consumption is an important and fundamental factor in halting meat price increases in the market.

[Question] Why does the unofficial price fixing not apply to the meat market?

[Answer] Meat is one of the commodities in which processing plays a major role. In other words, when I go to the butcher and he cuts for me a piece of meat in one bulk its price will be different from meat of special and good cuts. Processing which needs a special skill plays a role here. The consumer thus pays the cost of the meat in addition to paying for labor. The consumer can obtain his needs for meat, without it being cut into pieces, from the food security kiosks or the consumer societies at a much lower price, particularly since large quantities of frozen and fresh meat are offered at the distribution outlets. The rise in meat prices at the butcher is due to the consumer's demand for special and specific kind of meat.

[Question] The question of a good loaf of bread prepared in accordance with specifications is a problem that we have often discussed to no avail. Is there a way of resolving this problem?

[Answer] The state, represented by the Ministry of Supply and the companies that fall under it and which specialize in dealing with wheat and flour, is seeking to provide the loaf of bread to everyone at a fixed price on the republic's level. This is also the state's policy with regard to the availability of quantities. I believe that we have been able to make bread available 24 hours a day in all the governorates. This requires a special effort by the

ministry, especially since this is a commodity of high strategic value. Therefore, there is a commitment to maintain bread sufficiency on a regular basis.

[Question] What about the quality of the loaf?

[Answer] In the area of improving the quality of the loaf we find that the public sector controls 92 percent of the milling capacity while the private sector controls only 8 percent. There are investment projects to boost the public sector's milling capacity by building new mills and refurbishing the existing plants. This will lead to the production of a much improved flour that is more in accordance with specifications than in the past.

Dr Jamal Abu-al-Dahab continues:

Along with this there is need for those engaged in bread production to adhere to the required quality specifications. This is done through the control bodies whether in the ministry, the supply directorates, or the technical inspection agency that oversees the companies.

Then comes the question of the public sector participating in producing bread —and not just flour— through expansion in building bakeries. The state plan, whether the previous 5-year plan or the current one, provide for several bakery projects aimed at increasing the public sector's participation in bread production and not just the production of bread raw material. For example, vast production complexes for bread production have been built and are being supervised by the Armed Forces in Cairo and Alexandria governorates, the two biggest consumption centers in the republic. We have recently launched a new project, which is to build bakeries for communities. These bakeries meet the consumer's particular need — his desire to obtain a hot loaf of bread from the bakery rather than from distribution centers.

[Question] Will the state intervention in the bread industry result in ending complaints about bread quality?

[Answer] Certainly. The state has taken numerous steps to improve the quality of bread. The state has been able to provide the quantity and now remains the quality. This can be done by improving the raw materials and increasing the state participation in production, which is what is happening now. Some 23 millions loaves are being produced daily in Cairo alone of which the state's share is 11 millions.

[Question] There has been much talk about the clothing project for state workers and the extent to which this project would benefit the needy. Do you believe that the project with its present resources can serve the objective for which it has been set up?

[Answer] Certainly. This project generates 100 million pounds annually and serves 25 million people, that is half of the society.

For example, cotton pajamas are sold for 2.5 to 5 pounds while similar ones in the private sector cost 20 pounds. A pure wool man's suit is sold for 58 pounds while in the market it costs 120 pounds. The same thing applies to the rest of goods. This would achieve a great balance in prices primarily for the broad base of people with limited income.

Dr Jalal Abu-al-Dahab continues:

Moreover we meet the requirements of the newly developed areas such as the towns of 10 Ramadan and 15 Mayu and others. No profits are sought in this project as it is the public sector's role to contribute to the development of these areas by creating urbanization incentives in the towns and in remote areas where the private sector is nonexistent. Services will be provided to those areas at the same prices within the public sector's commitment to its role. On the basis of this principle we also seek to continually develop the [ministry's] branches in all locations, taking into consideration the high competitiveness of the private sector and the investment sector.

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## JORDAN

### 236 Students To Study in Iraq

44040022a Amman AL-DUSTUR in Arabic  
15 Oct 87 p 2

[Excerpt] Mr Salamah al-Kharabishah, director of student exchange, fellowships, and academic chairs in the Ministry of Higher Education asks the students accepted at Iraqi universities (first group) to be present without fail this Sunday at 6 pm at Queen 'Aliya International Airport, prepared to travel to enroll in the universities at which they have been accepted.

Mr al-Kharabishah indicated that scholarships have been guaranteed to 236 students. The first group of students will leave for Baghdad at 9 pm on the day mentioned, while the second group will leave next Monday evening.

12937

### Employment of Expatriate Workers Increases Overseas

44040022d Amman AL-DUSTUR in Arabic  
29 Sep 87 p 4

[Text] The Jordanian work force overseas increased from 200,000 workers in 1975 to 328,000 workers in 1986. Of these, 276,000 work in the Arab states, especially in countries of the GCC, and 52,000 in foreign [non-Arab] countries.

Saudi Arabia occupied first place in employment of Jordanian workers, with Jordanian workers there during 1986 numbering approximately 160,000. Kuwait was in

second place, with 80,000 Jordanian workers. The remainder were distributed among Qatar, the UAE, Bahrain, Oman, Libya, and Iraq.

12937

### Volume of Trade Increases, Traffic Decreases at 'Aqabah Port

44040022c Amman AL-DUSTUR in Arabic  
8 Oct 87 p 8

[Text] The number of ships that called at the port of 'Aqabah during the first half of the current year was 1,246, compared with 1,397 ships that arrived at the port of 'Aqabah during the first half of 1986, i.e., a decrease of 151 ships.

The monthly statistical report issued by the Jordanian Central Bank said that the number of passengers arriving at 'Aqabah during the first 6 months of this year was 193,016, compared with 248,462 passengers who arrived through the port of 'Aqabah during the first 6 months of last year. Thus it appears that the number of people arriving through 'Aqabah dropped by 55,446.

The number of passengers who left via the port of 'Aqabah was 93,515 during the first half of this year, compared with 262,279 passengers who left Jordan by way of the port of 'Aqabah during the first half of last year. Thus the number of departing passengers dropped by 168,764 from what it was during the first half of 1986.

### Increase In Volume Of Exports And Imports

The statistical figures said that total goods exported and imported through the port of 'Aqabah during the first half of this year amounted to 9,517,500 tons, compared to 8,184,300 tons for the volume of goods exported and imported through the port during the first half of last year, 1986. Thus the volume of goods imported and exported through the port has increased by 1,333,200 tons.

### Exports

The figures show that total goods exported through the port during the first 6 months of this year amounted to 5,448,100 tons, compared to 4,721,300 tons for goods exported through 'Aqabah during the first half of 1986. Thus the volume of goods exported has risen by 726,800 tons.

### Fertilizers

The report showed that fertilizer exports through the port of 'Aqabah during the first half of this year amounted to 300,800 tons, compared to 276,600 tons exported through the port during the same period of last year.

### Phosphates

The statistical figures show that the quantities of phosphates exported through the port of 'Aqabah during the first 6 months of this year amounted to 2,463,100 tons, compared with 2,635,900 tons of phosphates exported through the port of 'Aqabah during the same period of last year. Thus a decline in the quantities of phosphates exported through the port is evident.

### Potash

The quantities of potash exported through the port of 'Aqabah during the first half of this year were 561,900 tons, compared to 534,800 tons exported through the port of 'Aqabah during the same period of last year. A noticeable increase in potash exports through the port is evident.

The figures indicate that the quantity of other domestic exports through the port during the first half of the current year amounted to 325,000 tons, compared to 22,800 tons of exports shipped through the port of 'Aqabah during the same period of the past year. From this it is evident that a very great increase in domestic exports through the port of 'Aqabah has taken place.

### Re-Exported Goods

The figures show that the quantity of re-exported goods during the first half of this year amounted to 22,700 tons, compared to 20,100 tons of goods re-exported through the port of 'Aqabah during the first half of last year.

### Other Exports And Transit

According to the figures contained in the report of the Jordanian Central Bank, the total of other exports and of transit through the port of 'Aqabah during the first half of this year amounted to 1,774,600 tons, compared to 1,231,400 tons of other exports and transit during the same period of last year. Thus the volume of other exports and transit has risen by 543,200 tons.

### Incoming Goods

The figures contained in the report of the Jordanian Central Bank say that the total of goods arriving through the port of 'Aqabah during the first half of the present year amounted to 4,096,400 tons, compared with 3,463,000 tons of goods arriving through the port of 'Aqabah during the first half of last year. This indicates a 606,400 ton increase [as published] in the quantity of arriving goods.

### Imports

The figures indicate that during the first half of this year imports through the port of 'Aqabah amounted to 1,281,600 tons, compared to 1,122,000 tons of imports that arrived through the port of 'Aqabah during the first half of last year.

### Transit

Goods arriving in transit through the port during the first half of this year amounted to 2,787,800 tons, compared to 2,341,000 tons of goods arriving as transit through the port of 'Aqabah during the first half of last year. This indicates that the volume of goods arriving in transit through 'Aqabah has risen by 446,800 tons.

### Port Traffic During June

The monthly statistical report issued by the Jordanian Central Bank shows that the number of ships that called at the port of 'Aqabah during the month of June this year was 204, while the number of arriving passengers was 46,353. The number of departing passengers during June was 28,463.

Total goods exported and imported through the port of 'Aqabah during June of this year amounted to 1,774,100 tons. Total goods exported during June amounted to 964,900 tons.

Phosphate exports from the port during June of this year amounted to 562,300 tons. Fertilizer exports during June amounted to 30,300 tons. Potash exports during June through the port of 'Aqabah amounted to 98,300 tons. Other exports through the port of 'Aqabah amounted to 85,200 tons.

Goods re-exported through 'Aqabah amounted to 2,500 tons; other exports and transit amounted to 186,300 tons.

The report said that the total of goods arriving through the port of 'Aqabah during June of this year amounted to 809,200 tons.

Total imports amounted to 215,400 tons, while goods arriving in transit through the port of 'Aqabah totaled 593,800 tons.

**Lecturer Encourages Promotion of Arab Nationalism Within Country**

44040022b Amman AL-DUSTUR in Arabic  
14 Oct 87 p 11

[Lecture Given at the International Affairs Association, by Tahir Hikmat: "Jordan Between Sectionalism and Arab Nationalism"]

[Excerpt] The Arab states are political entities and theoretical states, each with its own theory and style, each with a flag and anthem, each with a political system, political and national symbols, and an independent legal system, and each with interests and international relations sometimes similar and sometimes mutually at odds. The external danger represented by the existence of Zionism on Arab land and its great challenge to Arab nationalism has not succeeded in bringing these entities or local states closer to each other, nor has it succeeded in developing their legal and institutional relations. On the contrary, these states have continued to appear to us to have accepted their sectionalism. The dissociation has continued, and we do not know whether or not the Iranian danger will succeed in changing these positions.

While it is true that these Arab peoples, in which all the constituents of a single nationality are present (and perhaps more so than in the case of any other nationality in the world), burned with zeal in the circumstances of the great challenges, this zeal and these feelings have not been able to bring about change. Even though the Arab states confront two enormous challenges—foreign occupation and threat, and the challenge of development and overcoming backwardness—nothing of value has happened at the collective level of the states that compose this nation or nationality, despite dozens of common institutions emanating from the Arab League, from the Organization of Summit Conferences, to the economic agreements and the Joint Defense Treaty, institutions whose fate has always been lack of effectiveness.

**The Arab National Reality**

Thus we confront a reality distinguished by the following shape:

- A latent national feeling, sometimes dying down, sometimes blazing up, aspiring toward the establishment of a greater national state that will give the Arab citizen a feeling of security, dignity, and freedom.
- A divided reality of local entities and states whose mutual relations have not been successfully developed by unity of category or of danger and benefit, but rather in each of which self-interests and special sectional interests have accumulated.
- An international world situation tending to bipolarize all countries in the world and insisting on keeping rich or poor Third World countries (including the Arab states) barred from reaching the threshold of progress and economic independence.

- Imminent foreign dangers: foreign colonial occupation of Arab land, and another imminent foreign threat to march against Arab land from the east.
- Ineffective and unproductive attempts by some leaders of states and institutions to bring about changes in order to realize a minimum of solidarity, meaning that the most exalted goal now is the realization of a minimum of solidarity and integration.
- Groups of intellectuals and politicians proclaim that the pan-Arab solution is the only solution to the problems of the foreign threat and to the problems of the Arab citizen's political and economic development, but their proposals, discussions, and conferences are unable to move the situation a hair's breadth. Indeed, they often propose no implementable mode of proceeding, and even these accomplishments have in view the stand of the Arab countries. I do not know whether it requires much courage to say that the practical situation and the external and internal restrictions and limitations on Arab moves toward unity leave no room for dreaming and hopes. This forces us to limit our thinking to confronting and solving the crises in accordance with a local perspective, with each country [operating] according to its givens, premises, and current situation, bearing in mind especially that the entities of these countries and small local states are themselves threatened with division and dissociation.

**Development and Unity**

In many of these local states, do we need greater courage to say that there is no state based on Arab nationalism in the Arab world? It is my belief that within the complex of circumstances and conditions we live with, there is basically no escape from local remedies; however, these remedies must always have a pan-Arab horizon or perspective. Under such circumstances, it may be incorrect to say that local political and economic development (i.e., in each country separately) conflicts with the goal of integration, solidarity, unity, and Arab feeling. Indeed, one can say that local political and economic development, if accomplished with efficiency, honesty, and sincerity, may as a result prepare and pave the way for true relations of unity and integration after the failure of impromptu attempts at unity.

Work toward creating a free citizen in each country, toward unleashing his abilities and energies in an atmosphere of freedom and dignity, and toward building a well thought-out horizontal economy that takes pan-Arab ties into consideration cannot be at odds with the views of Arab nationalism. Rather, it prepares the way for pan-Arab activity and makes it more realistic and more closely attached to the cycle of life and progress, while we wait for the achievement of the miracle of unity. Developments in the world move with astonishing speed: we must move, even within our narrow garments, for fear of being outside the march of history.



### The Jordanian Arab-Nationalist Pulse

In this sense, I look upon Jordanian political and economic activity objectively and in a comparative and relative light. I think that Jordan, though a small local state, harbors a clear pan-Arab attitude and that signs and evidences of this attitude are apparent in all its dealings. I see no trace of chauvinism or narrow sectionalism in its dealing with crises and challenges and in its relations with the Arab world. As an extension of the great Arab revolution, Jordan cannot be narrowly sectional, because its authority and legitimacy lie originally in its having created and carried on this mission. For in spite of bitter and cruel circumstances through which Jordan has passed and in which there sprang up as a momentary reaction such concepts as self-sufficiency and attention to reordering the Jordanian household, the warm pulse of Arab nationalism has always been Jordan's highest end. Jordan has never abandoned its nationalistic pursuits. Again, if we review our relations with brother Arab states, we find that these have always maintained a high level of pan-Arab direction. Jordan, for example, has taken the following positions:

- Adherence with the Arab nation and with pan-Arab feelings; participation with the Arab nation in all its battles, regardless of regional political circumstances and the potentially high degree of tension between Jordan and any other country because of political differences.
- Signing all treaties and agreements and participating in all institutions and organizations emanating from the Arab League: Jordan is the Arab state that has signed the largest number of joint Arab treaties and agreements.
- Statistically, Jordan is the Arab state that has made the fewest reservations and has least opposed the resolutions of the Arab League and its institutions.
- Jordan has participated in all Arab summit conferences.
- Jordan has hosted two summit conferences in the last 7 years, and has been a common denominator and link in the remaining symposia and conferences of Arab governments and organizations.
- Jordan is the headquarters of most Arab bureaus, institutions, and organizations emanating from the Arab league.
- Jordan is linked with a large number of Arab bilateral, collective, and trilateral economic and cultural agreements.
- Jordan was the first Arab country to announce its solidarity with Iraq at the outbreak of the Iraq-Iran war and to place all its resources at the service of its brother country, Iraq.
- In the international arena, Jordan forms a moving point of reliance for Arab activity related to creating a just solution to the Palestinian problem.
- Jordan's highest leaders are indefatigably moving to realize acceptable levels of Arab solidarity.

If we consider all these and other indicators impartially and objectively, we see that they express a full Arab

nationalist attitude on the part of this Arab country, despite its being one of the Arab states least given to raising nationalistic slogans or verbal contests. I am not trying here to offer a thesis about the merits of the Jordanian regime, but I am trying to arrive at the conclusion that the distance separating the dream of Arab nationalism from realization and the persistence of local states need not stop the course of progress. If these local states arm themselves with an Arab nationalist perspective, if they undertake movement in the available international and domestic arenas, and if they create a strong local political and economic structure based on a profound understanding of the nature of the current period and the future inevitability of pan-Arab linkage and contact, and based also on faith in the free and secure citizen who has confidence in his economic and political future and who participates in shaping it, then this action of theirs will not deprive local action of its pan-Arab spirit. It will merely be a helping factor that speeds the steps toward unity, solidarity, and integration.

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### KUWAIT

#### Indonesian Oil To Be Produced by Local Company

44000024 *Kuwait AL-MUJTAMA' in Arabic*  
3 Nov 87 p 11

[Text] Mahmud 'Abdallah Rahman, member of the board of directors and delegate member for planning and development at the Kuwaiti company for Foreign Petroleum Exploration, announced that come the end of next year and the beginning of 1989, the company will for the first time commercially produce oil from its fields in Indonesia.

These positive steps come about within the framework of popular demand for non-reliance on local oil resources and the call for diversification of sources of income and investment.

### LEBANON

#### Birri on Current Situation, Meeting With Hawatimah

44040033a *London AL-HAWADITH in Arabic*  
20 Nov 87 pp 14-15

[Interview with Nabih Birri by Zaki Shihab: "We Have Corrected Compass Direction with the Resistance Toward Fighting the Enemy in the South and Palestine!"; in London, date not specified]

[Text] Minister Nabih Birri, the leader of the Amal Movement, occupies a prominent spot in Lebanese events, one that allows him to be up on almost all developments and current events. Recently, Nabih Birri

visited Algeria where he met with Nayif Hawatimah, secretary general of the PDFLP, following a meeting with Algerian President Chedli Bendjedid. Minister Birri says that this meeting was positive, adding: "Perhaps the actual implementation to follow will correct the compass direction toward fighting enemy occupation, both in the south and inside Palestine."

In London, to which he returned via Paris before going to Beirut, Minister Birri stayed with a friend where AL-HAWADITH had the following interview with him.

[Question] What is the story of your meeting in Algeria with Nayif Hawatimah, secretary general of the PDFLP?

[Answer] It is common knowledge that we, as parties, liberation movements and Arab and African organizations, had the honor to respond to Algeria's kind invitation to take part in the anniversary of the Algerian revolution. Algerian President Chedli Bendjedid hosted a dinner party at al-Thaqafah Palace in honor of the visiting delegations to award prizes and medals to a number of Algerian intellectuals and artists. Of course, this was an occasion for both Nayif Hawatimah to come forward to greet me and ask that we sit and talk. I welcomed this opportunity and we held two long sessions at "Jinan al-Mithaq" where I was staying.

[Question] And what were the issues that were raised?

[Answer] The issue of the camps and their environs, of course. I told Abu al-Nawf: "If you do not like my initiative, you are welcome to come up with another one to settle the problem." He, however, said: "We adhere to it, lock, stock and barrel, but what is required is a better mechanism for its implementation. Instead of the process taking weeks to implement, do it all in a few if not a couple of days."

[Question] What prevented the agreement's implementation prior to that?

[Answer] Some pro forma matters like, for example, which issue should be handled first and where would the fighters in east Sidon go.

[Question] How was the fighters' question resolved?

[Answer] It was agreed that this issue would be resolved through an understanding with Mr Walid Junblatt and other party leaders.

[Question] What about the joint operations room Nayif Hawatimah mentioned?

[Answer] For years I have been calling on all those desiring to fight Israel to participate in such a room and to coordinate their efforts. I remember saying at the time

that I was even ready to offer arms. Coordination and cooperation, be it with the Palestinian organizations or Lebanese parties and organizations, is undoubtedly essential.

I note here that a number of organizations leaders know that when called upon more than once to help them get to the borders with Israel, we were there to assist them. Moreover, the parties who asked for this help did indeed receive it. Our efforts in helping the heroes of suicide operations get to enemy positions is well known. Fighting Israel and its agents is foremost on everyone's mind, as well it should be. It is neither in the interest of Palestine nor that of Lebanon to let the situation get out of hand. A lot of pure blood has been shed for liberating the south and this situation must be preserved and the people's well-being safeguarded.

[Question] And what about your meeting with Abu Jihad and other Fatah leaders?

[Answer] This never happened.

[Question] What is standing in the way of such a meeting?

[Answer] The Arab and non-Arab world only knows about the camps and their victims, but has not had the chance to find out about the camps' surroundings and inhabitants. Thousands of apartments have been burned down or destroyed by the fighting, not to mention the innocent lives lost and, to top it all, the displacement of camp residents. At any rate, Abu al-Nawf has spoken on behalf of all organizations.

[Question] Has this painful page between the two sides been turned?

[Answer] We hope so, as evidenced by the warm welcome this initiative received from all Lebanese and Palestinian sides the moment it was put forth during the well-known Ba'alabak festival. All attempts to impede its implementation fall under the category of minor issues like whether to provide supplies and construction material prior to or following the withdrawal from east Sidon. The new mechanism, however, is better and more expeditious and shuts the door in the face of all those who are fishing in troubled waters.

[Question] Can this relaxation in relations be attributed to the lines opened between Syria and the PLO?

[Answer] I put forth my initiative months before that, as everyone knows. This struggle was a trap set for the Movement that was "shoved" into it. Our concern is focused on the liberation of our beloved south and any battle in any other direction serves neither the Amal Movement nor the Palestinians.

[Question] President Amin al-Jumayyil, Shaykh Muhammad Mahdi Shams-al-Din and Archbishop Sufayr preceded you to Algeria and you had with you Walid Junblatt and other party leaders. What is going on there?

[Answer] Our brothers the Algerians are making praiseworthy efforts and endeavors to close the ranks, be they Lebanese, Palestinian or even Arab. They are proceeding from their firm and sure conviction that the spearhead for fighting Israel in the area is the Syrian-Lebanese-Palestinian triangle and it is from this premise that they are embarking on their contacts.

Many Algerian delegations have come to Beirut and we, as a movement, are bound to Algeria and its leadership by strong deep-rooted relations whose seeds were planted by the missing Musa al-Sadr. The Algerians are also bound to most parties of the region by friendship stemming from their conviction of their sound outlook on the situations, developments and priorities that must be dealt with.

During the meeting with President Bin Ja/did, we became acquainted with his thoughts and ideas, and, of course, we presented our point of view. The Algerians are continuing their efforts and contacts for the benefit of all.

[Question] How do you view the current economic situation and do you think that the strike might settle the problem?

[Answer] What is happening in Lebanon today can almost be called an economic war aimed at bring the people to their knees. In fact, stories about what is happening to the ordinary and middle class are almost unreal, and were it not for the children and relatives of most Lebanese living and working abroad, we would have a major disaster on our hands for how can people live when a package of bread costs a hundred pounds.

One good thing about the strike is that it stopped the rise of the dollar. I prefer that the Central Bank and the stockmarket stay closed, for so long as they are not in operation the dollar will maintain its value. The situation may require greater action. We do not mean to play down the importance of the strike, but the battle is a difficult one no matter how you view it. We, on our part as a movement, have begun to promote agricultural cooperatives and to subsidize land reclamation and cultivation with a view to strengthening the bond between the farmer and his land, thus helping him cope with the situation.

As for the Lebanese pound, I can assure you that it is backed by gold more than any other Arab currency and more more than most European currencies. The solution is to arrive at a political agreement.

[Question] How can such an agreement be achieved?

[Answer] We joined the government on the basis of a clear cabinet statement. We held several working sessions with President al-Jumayyil but he used to back out. But when the tripartite agreement was signed, the one we reluctantly joined, he said he would study the matter and from then on he began to evade the issue. We went to Damascus several times and each time he came up with something new, the most recent being his visit to America and Canada.

[Question] Why did you not attend the Amman summit?

[Answer] This could not be. We were invited as part of the official delegation and this could not be.

[Question] And why did you ask the American ambassador to convey your point of view to President al-Jumayyil in Amman during the summit?

[Answer] We did not ask the American ambassador to do that and I know nothing about this. Before leaving Lebanon, we asked brothers Muhammad Baydun and Marwan Hamadah to prepare a working paper representing our viewpoint on the situation in Lebanon. The ambassador may have conveyed what we had told envoy Murphy when he visited Beirut, which, of course, was put forth in the paper containing our point of view. But we did not ask the American ambassador to convey anything.

[Question] One last question. Do you endorse holding a parliamentary session to elect a president within the appointed time?

[Answer] I do if the candidate has a plan for a settlement. But, if he is only going to be a crisis manager, such a session will not pass without incident and we will do everything possible to prevent that because no one can withstand crisis management if only for a few months, let alone years.

12502

#### **Fundamentalist Paper Accuses Government of Mismanagement**

44040033b Beirut AL-'AHD in Arabic 31 Oct 87 p 1

[Text] Not one day goes by that a face of the iniquitous regime is not exposed. It is as though the continuous fall of the Lebanese pound, the rusting knife little by little cutting at the throat of the oppressed, was not enough, the criminal presidential practices and decrees came into view.

For example, press and "government sources" reports are making the rounds that al-Jumayyil's tour to Europe and the United States cost from \$3.4 million to \$20 million, or almost 1.2 billion Lebanese pounds.

We do not know how much his gulf tour and his "trip" to the Amman summit cost. What is known is that the money is expended from the public treasury which is supposed to provide an adequate standard of living for its citizens.

More outrageous still are the two consecutive decrees that were issued in something of a farce.

One was No 4266, signed by each of the president of the republic, the prime minister and the minister of finance (al-Jumayyil, al-Huss and al-Hashim, providing for the allocation of 1,717,100 Lebanese pounds to cover the expenses of Kamil Sham'un's funeral, the pretty boy of treason. And, as if what he stole during his life was not enough, the people insisted on making a thief out of him in his death.

The other one was No 4277 providing for the allocation of 2,700,000 pounds to cover the damage caused by the torrential rains in two large cities, Ba'alabak and Hirmil, and 22 villages, while preliminary estimates show that over 150 million pounds are needed to cover the damage.

This thus is the farce. A government shelling out, with the approval of its president, its prime minister and its minister of finance, 1,717,100 pounds to pay for a funeral, and pays, to ward off blame, 2,700,000 pounds to cover the losses of over a half a million living beings (Ba'alabak, Hirmil and 22 villages with over half a million inhabitants, of course).

The least these half million people can do, before thinking of lighting the candle of the government of justice, honor and dignity, is to curse the day this government came into being!

But who said that they will hesitate to light this candle?

12502

## SAUDI ARABIA

### Manifestations, Causes of Islamic Revival Explored

44040044a Riyadh AL-DA'WAH in Arabic  
9 Nov 87 pp 22-24

[Article by Muhammad 'Abd-al-'Alim Mursi: "The Islamic Awakening: Manifestations and Causes"]

[Text] In raising the subject of the Islamic awakening AL-DA'WAH did a good deed, especially when it asked a number of astute and knowledgeable Muslims to write about the subject. Each one of those people wrote what God inspired him to write on this vital and important subject. A discussion about the Islamic awakening in the Islamic world, or rather in the whole world, of which the Islamic world is a part, covers Muslims who are minorities in non-Muslim countries as well as communities of

Muslim students and scholars in western countries. Such a general discussion is undoubtedly comprehensive and general and does not touch upon many details.

In order for our discussion to be an informed one, it seems that a distinction has to be made between two matters:

The first matter has to do with what is written about manifestations of the Islamic awakening as seen by us, Muslims; as some of us would like to see it; or as seen by interested western scholars, clergy, and political decision makers in the East or West.

The second matter has to do with what is written about the factors or causes for this awakening, some of which have been and are still occurring in our midst and in our Arab and Islamic societies. Some of these factors and causes are also occurring outside our borders, but in one way or another they are affecting the tide of this blessed Islamic awakening. A few details may clarify what I mean. But before providing these details I would like to affirm that this awakening is a fact and that most people in the East or West, in churches and universities, and at policy makers' and media personnel's tables have a feeling that this awakening is taking place. For Muslims in our region there is nothing new in reading what the Jew Kissinger said more than once on television programs. He said that it is the strategic objective of the entire West to prevent the establishment of a major Islamic state in the Middle East, a fanatic state, as he likes to describe it.

There is also nothing new in what was written by a number of our eminent fellow Muslim scholars and thinkers who wrote that scholars in western universities and research centers, who are interested in our region, have taken notice of the growing Islamic movement which has been spreading during the past years. I would not forget to point out in this regard that one of the world's senior politicians had asked an Islamic government to move slowly on applying the canonical laws of Islam. That was one of the conditions he set for continuing aid to that country. And now, let's consider the details.

First, Manifestations of the Islamic Awakening:

The Islamic awakening is manifested in young people's uprisings, particularly those we read about in newspapers. We see some of those uprisings on television screens in many of our countries, and in fact, some of them have taken place in usurped Palestine where those young people have started expressing their Islamic tendencies clearly without any fear of imprisonment, arrest, even death in broad daylight, or assassination.

Despite what Muslim groups have suffered and endured in our country, broad sectors of the Muslim populace believe in what Muslim thinkers and reformers have been calling for: the need to go back to the Koran and the

tradition of God's prophet, Muhammad, the son of 'Abdallah, may God bless him and grant him salvation. Suffice it to say that a non-negligible number of voters in a densely populated Muslim country voted for a small number of Muslim candidates who thus achieved positions of responsibility despite attempts that were made by clients, corrupt people, and opportunists to distort their image. It is now up to the Muslims to present a true and pure image of Islam to solve the people's problems and confront their daily tragedies.

Young people, especially the educated, are enthusiastically backing religious leaders in many universities in the Islamic world and in many student communities in western countries, where everyone has an opportunity to express his opinion. Large Islamic conferences which are held every now and then in Europe and America are among the manifestations of this Islamic awakening. For those who do not know this, attendance at some of these gatherings is as high as 5,000 persons.

Thanks to the activities of young Muslims, mosques are being built abroad, and Muslim schools are established around those mosques or in them. Young people volunteer to work in those schools for the sake of a new generation of Muslims so they do not get lost in the disorderly shuffle of the declining and sinking tide of western life.

Some Islamic publications, which address the minds and hearts of young Muslims, have been released. Many video and audio cassettes featuring Islamic lectures and debates have been recorded and released. In fact, some of these cassettes show the efforts of some young Muslims in fighting famine and drought in Africa, or they show young Muslims, especially in Afghanistan, engaged in fighting a holy war.

#### Second, Reasons for the Islamic Awakening:

Non-Islamic tendencies, including futile nationalism, godless communism, and unsuccessful socialism, have failed. These tendencies produced frivolous experiments which wasted the lives of many of our Muslim peoples. In some cases, these experiments ended in failure; in others, they ended in massacres. Scores of thousands of submissive fellow Muslims lost their lives in those massacres.

Government regimes in our Islamic societies fail to be truthful and honest with themselves. They talk about a constitution that is based on the canonical laws of Islam, but what is actually applied and what actually happens are completely different. Thus, people see impostors, swindlers, thieves and even prostitutes holding prominent social positions and enjoying the fruits of the labor and toil of millions of their fellow countrymen who eke out nothing more than a mere pittance.

Islamic books and articles have described the torture, persecution, and slaughter to which Muslims have been subjected in prisons and detention camps. What Muslims have been subjected to collectively outside prison walls has also been described. Heavy weapons and the air force were even used against some of them. The weapons that those client regimes failed to use against the Zionists, the enemies of God and enemies of Muslims, were used against Muslims.

Although limited, one side of the Islamic media which is committed to Islam has emerged, and that has made it possible for Muslims to become familiar with many of their causes and the problems and challenges which stand in their way. In addition, many forums, conferences, and debates were held, and these activities revealed the truth about the other party, exposed what lies in their hearts, and made the falsehood of their slogans and allegations quite evident.

On 5 June 1967 the Arabs suffered a harsh and shameful defeat opposite the Zionist state. It has become clear to Muslims that one of the most important factors of that defeat was their straying away from religion and from the spirit of fighting for Islam.

Thanks to their Islamic fighting spirit in particular, the Arabs scored a splendid victory in the glorious Ramadan War which they fought under the banner of Islam. Muslim scholars made the rounds among soldiers, urging them to fight for God's cause, to give their best, and to sacrifice their lives for the cause. Suffice it to say that the only voluntary cry repeated by soldiers crossing enemy lines was "Allahu Akbar" [God is Great]. Most, if not all of these brave soldiers had been fasting when they crossed enemy lines. That war was the proof which confirmed Muslims' conviction that only by going back to Islam would victory over Jews and others become possible. Nothing else would accomplish such a victory.

Recalcitrant Zionist arrogance, which is evident in the Zionists' rejection of every rational approach, is manifested in the fact that Jews do not wish to give up one inch of the territory they occupied by force. Our countries' fragmented positions makes the Zionist Jews recalcitrant, and that has led everyone to believe that liberating the land is hopeless unless we turn to Islam and to the holy war.

Western societies are breaking down and the value system of individuals in those societies is collapsing.

The great and splendid holy war waged by the Afghans has given Muslims an example that is contemporary, living and realistic. That war has shown Muslims that a Muslim can stand up to the fiercest and the most heavily armed nation if he is armed with a true Islamic spirit and a desire to fight for the cause of God. Such a Muslim can, in fact, humiliate that nation and diminish its prestige

and dignity on the battlefield. God Almighty spoke the truth when He said, "Believers, if you help Allah, Allah will help you and make you strong" [Muhammad: 7].

Young Muslims who are studying abroad and who are experiencing the challenges of the societies in which they are pursuing their studies have awakened. Those young Muslim students are also experiencing the challenges posed to them by the church and the presumptuous western media, none of which bear Islam and Muslims any good will. Those young people have taken notice of the schemes that are being devised against their nation. That is why they started calling upon each other, joining forces, meeting and organizing. Their Islamic activities are starting to attract attention. Those young Muslims represent a large part of the Islamic hope for a better future because they are the seeds for future scholars, professors and educators. God Almighty is behind our purpose.

08592

#### **Magazine Warns Against Investing Outside Arab Homeland**

44040044b Riyadh AL-DA'WAH in Arabic  
9 Nov 87 p 50

[Article by 'Abdallah al-Ja'aythan: "The Last Round: Our Departing Funds and the Collapse of World Markets"]

[Text] The rapid collapse of stock markets around the world was amazing; it were as though they had been straw or paper structures. The stock market on New York's Wall Street collapsed, and in 1 day stock prices fell almost 30 percent. Stock markets in London, Tokyo, and Hong Kong followed suit. For practical purposes that stock market collapse, which has been called Black Monday, was considered worse than Black Thursday, a day which Americans remember well. On that day in 1929, the stock market collapse was followed by what came to be known as the Great Depression. Today, such a depression is not so farfetched. The world's stock markets often act like a bellwether for a flock of migrant birds, catching the scent of gunpowder—in this case, of a depression—from far away.

The question now is this: Isn't it time for those who took their money out of the Kingdom of Saudi Arabia and the Arabian Gulf states to have learned their lesson from the world's money markets? Isn't it time for them to stop their market speculations and utilize their tremendous funds in constructive and beneficial activities? Isn't it time for them to make those funds play a part in developing the Arab and Islamic homeland?

Wouldn't investments made in their own homelands be safer for them and less likely to undergo such frightful setbacks? In the Kingdom of Saudi Arabia stock prices continue to rise. In 1 year stock prices rose more than 80 percent.

And yet we are not putting all the blame on those people who took their money out of the country. Instead, we are asking officials to create regulations which would enhance the efficiency and capability of the local investment environment. Chief among those regulations would be the establishment of a local stock market in accordance with controls that would prevent speculative activities and major upheavals; the establishment of more successful joint-stock companies; and the establishment of local investment companies which can assimilate the tremendous amount of liquid funds which usually flow out of the country like a torrential stream in search for fertile land which can be reclaimed and which would bear fruit. In our country God decreed that investments made in land would yield twice the expenses if investors had confidence in their local market and their Arab homeland and if they were not dazzled by the world market which is subject to a major collapse by a mere news story or statement.

08592

#### **SYRIA**

#### **Commercial Leaders Discuss Ways of Stimulating Economy**

44040041b Damascus AL-BATH in Arabic  
22 Oct 87 p 4

[Article: "Al-Kasm Receives Heads of Chambers of Industry and Commerce; Production Installations Utilizing Local Resources Discussed"]

[Text] At 1230 yesterday, Prime Minister Dr 'Abd-al-Ra'uf al-Kasm received the heads of Syria's chambers of industry and commerce. Minister of Economy and Foreign Trade Dr Muhammad al-'Imadi attended the meeting.

At this meeting, topics related to achieving the goals of the economic and fiscal measures taken to stimulate investment and promote construction of new production installations utilizing local resources were discussed.

The discussion also covered encouraging all production activities of an export nature and promoting the integral concerns of the public and private sectors.

Also discussed were suggestions and opinions as to the various areas for investment in industry, agriculture, and domestic and foreign trade, which would stimulate economic activity and meet the country's growing needs.

The discussion also dealt with matters related to joint agricultural companies.

The representatives of the industrial and commercial sector thanked the prime minister for this meeting, and expressed their constant readiness to make every effort

to support the measures being taken to utilize Syria's resources and capabilities and strengthen the country's active production activities.

Before noon yesterday there was a meeting at the Damascus Chamber of Commerce headquarters, chaired by Minister of Economy and Foreign Trade Dr Muhammad al-'Imadi. Present at the meeting were President of the Syrian Federation of Chambers of Commerce Badr-al-Din al-Shalah, the president of the Damascus Chamber of Industry and Commerce, the president of the Rural Damascus Chamber of Commerce, and the board chairmen and board members of the chambers of commerce of Damascus and the provinces, as well as the director for foreign trade.

Dr al-'Imadi pointed out the significance of this meeting, saying, "It has been called to acquaint everyone with the recently-adopted decisions concerning the goal for which we are all striving—building a strong, cohesive, self-reliant economy capable of meeting the citizens' needs on a continual basis."

He referred to the various recently-adopted decisions involving various aspects of the economy, such as import and export, and particularly investment and the development of economic and productive forces.

The minister of economy and foreign trade went on to say that there can be no trade without agriculture or industry, and stressed that the development of the Syrian national economy must begin with agriculture and industry, which are the foundation for the development of the commercial sectors.

He pointed out that the apparatus for this already exists in the Ministries of Industry and Economy, and that committees have been formed to examine and fulfil the requests of anyone who wants to invest his money in agriculture and industry.

Afterwards there were extensive discussions during which the minister of economy and foreign trade answered questions from those present about Decree No. 10, which established joint agricultural-industrial companies, and the guidelines regulating its functions, and the area and value of the land which will be used during production.

At the end of the meeting, the minister stressed that a balance must be achieved between imports and exports and that consumption must be rationalized, and promised to look into all proposals and observations submitted to him by the economic committee, the Economy Ministry, and the other agencies involved.

In another context, Assistant Minister of Economy and Foreign Trade Dr Taha Bali chaired a plenary meeting of the export committee yesterday.

During this meeting, the final report on the export plan for the first half of 1987 was reviewed, commodity by commodity, and measures to overcome the difficulties facing the full implementation of the export plan were discussed.

Those attending the meeting also looked into the preparations being made for drawing up the 1988 export plan, since the export committee had recommended that the experience of the 1987 export plan be used to good benefit so that next year's plan can be more extensive, all-inclusive and precise, and more capable of increasing exports by making use of all available resources.

08559

**Editorial Laments Inability To Advance Economy**  
*44040041a Damascus AL-BATH in Arabic*  
22 Oct 87 p 4

[Editorial by Ahmad Shukri: "No Hesitation In Making A Start"]

[Text] Any economic advance which does not start by comprehensively developing productivity and management is just ink on paper. Aid and loans are of no avail; they are just drugs which remove us from reality and burden the country for generations to come.

The new economic giants of the Far East are small countries which arose from the morass of post-war destruction and pursued a true revolution in production, which in record time made them creditor nations to the richest country in history.

These economic tigers did not seek loans without first resorting to the strong arms and the minds of their people and putting every possible incentive before them. They put their minds and sluggish resources to work and followed the living examples offered by modern economic history. Incomparably vast production horizons were opened up to them, and their per capita income rose to astonishing levels.

When we compare these countries to Syria, the first thing we see is that Syria possessed and still possesses important fundamentals, such as expertise, wealth and resources, which far surpass what those countries had, and which can be mobilized for the sake of comprehensive economic progress.

The question is: How come we aren't doing what we ought to? Why do we waver in paralysis and hesitation? Why don't we find practical solutions for mobilizing our expertise and putting our resources to work? We see before us the whole world moving towards new horizons of transformation and daring experiments in order to break all the theoretical molds which have kept it from meeting its needs.

Meanwhile, we are surrounded by challenges. Consecutive generations of Syrians go from the school desk to the workplace in search of work which does not come about by chance or luck—work which will open up new horizons, incentives and stimuli and thus create the right economic environment which will allow their skills to function at their full potential.

On the work front, we must act to reduce wastage to a minimum. We must reduce unemployment. We must operate the plants at their full capacity, and replace old patterns of consumption with new ones.

Why don't we fight excessive, irresponsible consumption of electricity, water, raw materials and fuels, and the ongoing destruction of the land and the tools of production? Consumer protection begins with producer protection, with instilling a spirit of competition among the producers, requiring adherence to plans, creating better circumstances for investment, and reviving initiative in production.

In past years, people have wasted billions of Syrian pounds, or the equivalent, on the real estate sector. The prices of homes have risen unbelievably, and vast amounts of building materials have gone to build frozen concrete frameworks with money on which we could have eaten. These billions of pounds presumably went to industrialization projects and modern agriculture. The people who put the money up are now coming to reclaim it, and are finding that it is dwindling day by day and cannot be recovered easily. What kept this money from being used productively? The official authorities know the answers better than anyone else, and they also know the solutions.

08559

**Developments in Domestic Oil Industry Reviewed**  
*44040047a Damascus TISHRIN in Arabic*  
14 Nov 87 p 8

[Article by Ahmad Maradini: "The Oil Industry, From National Exploitation to Advanced Positions in Production"]

[Text] The national exploitation of oil has not just been a slogan uttered by the party; rather, it has been a real experiment which has been realized in the era of the revolution, flourished and achieved its successes in the context of the blessed corrective movement. It has managed to become the most successful of experiments, in spite of all pressures and economic blockade, in spite of the resources, which were paltry at the beginning, and in spite of the deficiency in experience in the oil industry, indeed in industry in general.

The shift to a modern, developed industry is not an easy process, especially since this requires material, scientific and human resources and the provision of various work requirements, in order to achieve a successful national

industry, and in addition there are the difficult natural circumstances by which the lands of the area are distinguished. In spite of all that, our workers and technicians, with support from the party and the commander, have managed to advance to the level of bearing the various burdens of execution without seeking the aid of foreign companies, and it has been a truly national exploitation.

### Self-Reliance

Since the exploitation has been national, that means that the Syrian Oil Company must rely on itself in various phases of work. This company possessed diverse drilling equipment and managed to start producing oil and shipping it via pipelines to convey Syrian crude oil to Hums and Tartus, relying on its technical personnel's workshops. During the past few years, the oil industry in the country began to enter a new stage, after this industry's personnel had started carrying out the process of manufacturing some equipment, in addition to the production process. Perhaps the most conspicuous thing this personnel carried out has been the manufacture of a surface pump unit. This industry's infrastructure also began to expand through the establishment of plants to process gas and put them into operation.

### Oil's Role

The oil produced in the country has made an effective contribution to the economic sector in terms of its support for the national income on the one hand and its function as an important source of foreign currency for the balance of payments on the other. This production, in spite of its modest quantities, constitutes an important source of total revenues. The oil revenues depend on the quantities of oil produced and the prices realized on the international market. The share of oil exports' contribution rose from 16.6 percent of total exports in 1970 to about 62 percent in 1980-84.

### Production Operations

The company, through its 5-year plans, follows up on exploration, development and production activities. The fifth 5-year plan concentrated on the quality of drilling and exploration and on the optimum use of producing fields.

In the years 1981, 1982 and 1983, the company produced a total of 25.3 million tons of crude oil, the price realized for which was 20 billion Syrian pounds. Of that, the country's refineries used a quantity equal to 10.8 million tons worth 8.6 billion pounds, and the equivalent of 16.7 million tons, the price realized for which was 13.3 billion Syrian pounds, was exported.

In the years of the fifth 5-year plan, the company produced approximately 44,985,810 tons, an increase of 5.5 million tons over the quantity originally stipulated in the plan.



### Distinctive Exploration Activity

The Syrian Oil Company has managed to create a national staff with high technical specializations in various activities of exploration and has provided the necessary modern equipment and machinery, through which it has become able to realize great, important steps in the area of seismic geophysical surveying, which is considered the backbone of oil and gas exploration activities. Two national teams are running them and national personnel in the survey operations are supervising their operation and maintenance. From the date of their establishment to the end of 1983, they carried out a total of 12,550 kilometers of lines, thereby achieving savings of more than \$20 million in hard currency.

In order for full benefit to be derived from the geophysical survey operations, a computer managed and maintained by technicians from our country has been used since 1980, and this computer is used in dealing with more than 17,000 points at a total cost of \$1.4 million.

The geophysical data comes from the computer in the form of geophysical cross sections which help in guiding exploration activities and exploration drilling after they have been interpreted and transformed into time maps, depth maps and seismological cross-sections helping to determine locations which are probably oil traps. That is also done by means of the expertise of Syrian geophysical engineers.

### The Associated Gas Plant

With the objective of exploiting the gases associated with the oil rather than flaring them without benefit or material yield, since flaring causes a waste of energy and a loss of national income, the gases associated with the oil have been produced and treated through the associated gas exploitation plant which is located in the al-Suwaydiyah fields in the far northeast of the country. Exploitation takes place by collecting the gases separated from the oil in the main gathering and pumping stations in the department of the al-Hasakah fields, and after that they are transferred in pipes to the plant to be treated and turned into products of high economic value and great importance in the area of consumption.

This plant was designed to collect and treat 660,000 standard cubic meters of associated gas per day, which is its rated capacity. It can operate at between 60 and 120 percent of this capacity, according to the quantities of associated gas produced, thereby realizing flexibility in operation.

The plant produces five important materials, which are:

Household gas (43,500 tons a year), natural gasoline and pentane (17,000 tons a year), solvents (6,000 tons a year), sulphur (7,000 tons a year) and clean gas (171 million standard cubic feet a year).

Use will be made of the lean gas produced in the generation of the electric power needed for local consumption and the surplus of it will be piped.

### Natural Gas

Gas was discovered in a number of strata and in various fields of the country in the course of oil exploration during the sixties and at the start of the eighties it was decided to create a source alternative to high-priced naphtha in the urea ammonia plant in Hums. This source was the gas discovered in the al-Jabsah fields. The Syrian Oil Company signed a contract with the Bulgarian company Geomin to discover and tie in gas fields in the al-Jabsah area, develop them and exploit them, after the company had signed a contract with the Czech firm Technoexport to treat the gas in the oil and gas fields in al-Jabsah and pipe it to the urea ammonia plant in Hums.

### Conclusion

It remains to be stated that while the national stage of the oil industry began in the era of the revolution, it developed and realized progress and success in the context of the corrective movement, which deserves the credit for the great activities it has carried out, which we are proud of and which have come as a translation of the decrees and recommendations of the party conferences and the directives of the comrade secretary general of the party, the fighting commander Hafiz al-Asad, which have extensively paved the way for the development of the oil industry and have realized these results, some of which we have referred to, to the point where the producing plants have increased to more than 95 percent, while they had not come to more than 88 percent in 1973. This is an encouraging indicator which we rarely find even in countries with distinguished oil traditions.

11887

## TUNISIA

### Foreign Trade Statistics Detailed

45190003 Tunis LE TEMPS in French 16 Oct 87 p 3

[Text] At the end of the first 8 months of the current year, the trade balance of Tunisia showed a trade deficit of 401 million dinars (MD) and a cover rate of approximately 74 percent. That is what can be gathered from the latest INS (National Statistics Institute) statistics. This deficit was recorded following import operations estimated at 1,535.3 MD, as compared to exports in the order of 1,134.3 MD. Compared to those for the same period of the year, these results, the fruit of the good performance of the national economy, show the 238 MD, or 37.2 percent, reduction of the trade deficit and the recovery of the imports cover rate by the exports, a rate that went from 56 percent to 73.9 percent.

Value in MD	8 first months 1986	8 first months 1987	Variations in MD	Variations in percent-age
Imports	1,453	1,535.3	+82.3	+5.7
Exports	814.2	1,134.3	+320.1	+39.3
Deficit	638.8	401.0	-237.8	-37.2
Cover rate	56.0	73.9	+16.0	+31.9

Thus, as indicated by the above table, improvements achieved in the trade balance are due to the rather important increase (+39.3 percent) of exports and to a greater control of imports which rose by only 5.7 percent. Even greater was the growth of exports during the month of August 1987. These amounted to 148.5 MD as compared to 82.1 MD in August 1986, or a growth of 80.8 percent.

Due allowance is being made to the 11 percent increase for imports, which, from one year to the next, went from 165.7 MD to 183.9 MD during the same month. The cover rate showed a recovery of more than 63 percent going from 49.5 percent to 80.7 percent.

Putting aside energy products, exports growth was estimated at 38 percent, as compared to a slight progression of 2.3 percent for imports, the cover rate thus going from 45.8 percent to 61.8 percent. It was possible to obtain these results owing to the positive progression of some product groups such as

#### I/Food Products

Value in MD	8 first months 1986	8 first months 1987	Variation in percent-age
Imports	156.2	139.3	-10.8%
Exports	85.8	121.6	+41.7%
Deficit	70.4	17.7	-75%

As indicated above, the deficit for the balance of food products showed a strong decline of 75 percent at the end of the first 8 months of 1987, thus bringing it down from 70.4 MD to a mere 17.7 MD.

This downswing was achieved due to the substantial growth of food crops (+41.7 percent) and to the 10.8 percent decline for most food products: The progression of exports in that group pertained to food products (especially shrimps and octopuses), citrus, dates and olive oil.

#### II/Consumer Goods

Value in MD	8 first months 1986	8 first months 1987	Variations in percent-age
Imports	307.9	371.0	+20.5%
Exports	270.1	382.0	+41.4%
Deficit	-37.8	+11.0	-129.1%

The trade balance for consumers' goods shows a surplus of 11 MD during the first 8 months of 1987 as compared to a 37.8 percent deficit for the same 1986 period. As for previous months, the textile sector remains dominant in exports pertaining to this group and is the source of the ensuing surplus.

#### III Raw Materials and Semi-Manufactured Products

Value in MD	8 first months 1986	8 first months 1987	Variations in percent-age
Imports	529.3	594.9	+12.4%
Exports	221.9	306.9	+38.3%
Balance	-307.4	-288	-6.3%

The trading of raw materials and semi-manufactured products ended with a sustained growth of exports (+38.3 percent) and a 12.4 percent increase of imports needs.

Exports growth at that group's level proceeds for the most part from phosphate by-products, supertriple (+70 percent in quantity and +90 percent in value) and DAP (+35.6 percent in quantity and +45.8 percent in value) in particular. The increase is also due, but to a lesser degree, to other products such as cement (14.5 MD as compared to 5.1 MD) and alfa paste (4.4 MD as compared to 2.5 MD). Growth is also noted for imports in many items of that group, such as plastic, wood pulp, staple cottons, ammonia, papers and cardboards, textile threads and yarns, etc.

#### IV Capital Goods

Value in MD	8 first months 1986	8 first months 1987	Variations in percent-age
Imports	334.8	253.9	-24.2%
Exports	30.7	29.1	-4.6%
Balance	-304.3	-224.8	-26.1%

Despite the decline of exports and imports for capital goods, this table shows clearly the great care which the country must devote to this sector so as to provide the industrial units with greater production capability.

## UNITED ARAB EMIRATES

### China To Set Up Commercial Station in Dubayy

44000025 Paris AL-MUSTAQBAL in Arabic  
31 Oct 87 p 30

[Text] The People's Republic of China has decided to set up a center in the Jabal 'Ali area of Dubayy. This center will be a station for importing and distributing Chinese products in the Gulf countries. It is likely that this center

will become a point of barter trade between China, the Emirates, and a third country, such that the center will be used for importing Chinese products in exchange for exporting Emirati oil to the third country in question. The third country will export certain products in exchange for that oil. It is reported that the Jabal 'Ali area, which was established three years ago comprises 124 factories and international service centers. It is expected that the number will increase to 150 (factories) at the end of this year.

## AFGHANISTAN

### Cooperativization Experience Reportedly Successful

46000026 Kabul KABUL NEW TIMES in English  
14 Sep 87 p 4

[Text] Cooperatives are the new phenomena which consolidate the morale and material bases of villages and peasants.

With the victory of April Revolution the cooperative movement has expanded throughout the country. There are a large number of cooperatives which have notched up significant achievements during this period. It is necessary to generalize these experiences in this context, the experience of cooperative movement in Kunduz province is of special significance.

As a result of the publicity and encouragement work of the village councils of the National Front (NF), cooperatives were established in a number of villages by the party and social organisations. Consequent to the rendering technical and material assistance to the cooperatives of one village, the peasants of the adjacent villages were encouraged to establish their own cooperatives on similar lines.

For instance, in the wake of cooperatives in Kuterma village, cooperatives were established in Batosh, Morad Shaikh and Zand Kunar villages of Imam Sahib district.

Members of primary party organisations departments and institutions of the district were assigned to organise political and publicity work with peasants of their respective villages and provide the possibilities of the establishment of such cooperatives there.

Fertilizer and improved seeds were at the disposal of the members of cooperatives well in time and the attention of agriculture and irrigation departments drawn for rendering their assistance to these cooperatives. Besides, mass and voluntary works were organised for harvesting of crops and cleaning the streams and dams.

Members of party committees were assigned to visit the cooperatives and discuss their problems from time to time.

Members of the cooperatives of this district contributed one million Afs for establishing a pharmacy. It was another initiative for rendering better health services to the people in the district.

The cooperatives of Qara Kuterma villages cultivated over 1,000 jeribs (five jribs equal to one hectare) of lands of the families of the martyrs of revolution and soldiers; they will deliver the yields to the affected families.

As a result of contacts and negotiations with the opposition groups, possibilities have been provided to provide agriculture machinery and equipment to the peasants of their villages. People's power was peacefully restored during this process in ten villages and the cooperative of Mejer village was rehabilitated. Commissions for national reconciliation were also established in the above villages, and 100 youth of these villages joined the armed forces while 80 others joined the revolution defence groups.

A commander of the armed opposition group is now the head of water managing committee, and water is distributed through this committee.

The cooperatives of the district organise mass the voluntary works to repair the buildings of the estranged residents who are returning to their villages under the national reconciliation policy. The cooperatives also donate money to their estranged brethren.

Agriculture, consumer and handicraft cooperatives are functioning now in 44 villages of Imam Sahib district. (H.E.S.)

08309

### Major Guerrilla Leader Assesses Successes, Soviet Strategies

46040005a Kuwait AL-MUJTAMA' in Arabic  
20 Nov 87 pp 20-23

[Interview with Guerrilla Leader Ahmad Shah Mas'ud: "The Russians Have Adopted the National Reconciliation as a Cover for Their Defeats"]

[Text] In this issue, our readers will meet with a hero of the Panjshir Valley in Afghanistan, freedom fighter Ahmad Shah Mas'ud, who answered the following questions for AL-MUJTAMA':

[Question] In what year did you receive membership in the Afghan Islamic society, and at what age?

[Answer] I received membership in the society in 1973, and I was 21 years of age.

[Question] What is the general status of the holy war this year?

[Answer] The main issue, to the Russians, in the military context this year is to close off the Mujahidin's border supply roads. To that end, the Russians have concentrated their attacks on the Paktia, Kandahar, Nengarhar and Kunduz regions adjacent to the borders of Pakistan and on the Herat region. On that basis, the Russians' attacks have been against the central areas and the provinces of northern Afghanistan that are not intensively populated.

As for the Mujahidin, especially the Mujahidin in our fronts, they have concentrated their effort this year on establishing major bases in the various regions and, in realizing that goal, our main holy war activity has been to purge these areas of enemy infiltration and eliminate his military bases and installations.

This is the status of the holy war here, and these are the important goals of the two parties to the holy struggle. With respect to the enemy's goal, I can say that, as tangible evidence in the past has established the enemy's failure to implant his goal, it has also established his failure and inability to reach it this year, by the evidence that there is no sign or indication that he has succeeded in closing off these supply lines and border routes. Though the enemy, through his brutal attacks and vicious acts, has managed to create problems and difficulties for the Mujahidin in these routes, he has not been able to close them off in full.

With respect to the Mujahidin, alongside the ongoing fierce battles, there are other, shifting conflicts which are headed toward victory, thanks to almighty God, as an extension of last year's victories. These include the taking of the enemy's military base by name of the Kalfaghan garrison, which the Mujahidin took in 45 minutes and destroyed in full.

[Question] How is the situation in your original base in the Panjshir Valley?

[Answer] It is not proper to label the Panjshir as an original base, because all our bases are original ones. We consider the Panjshir one of our ordinary bases. Yes, the holy war situation in the Panjshir valley is good. Although the enemy has established six military centers there, an operation which in military usage is known as a war of consolidation, we are resisting it and carrying out carefully studied operations against it. It is worth pointing out that in order to resist and thwart the enemy's war of consolidation, it is necessary to plan two kinds of war:

1. Keep the enemy busy in conflict with a small group in the area where the enemy is carrying out the war of consolidation and concentrate on fighting with another large group in a second area which is of importance in terms of its strategic location and so forth.

2. Continue a type of war which is consuming and tiring for the enemy in the region where he is carrying out the war of consolidation in a manner where the enemy is anxious to wage it at any price. Thank God, we have been able to plan these two types of war and carry them out successfully. We have been able to arrange our affairs outside the Panjshir valley organizationally and militarily with complete success and they are progressing. The enemy has failed in what had been his goal, that of establishing a war of consolidation in the valley and preoccupying us with it forever, because we have been able to draw the war out to areas outside the Panjshir

valley and have managed, thanks to almighty God, to establish numerous bases there and become established in the areas which have been strategic and vital for the enemy. We have also been able to direct lethal blows at the enemy from these bases. As I said, we have started attacks on the Russians' bases in the Panjshir valley with small groups and have succeeded in keeping them consumed with battles in the valley and in our plan which we drew up before. These attacks have been continuing up to now victoriously. As a result of our decisive blows, the enemy has sustained flagrant losses. We feel that the enemy is trying to increase his bases in the Panjshir and review the arrangement and organization of his ranks, which has proved his weakness vis-a-vis the Mujahidin and has shown the extent of the effect of our battles and their success in the face of the vicious enemy.

The battles within the Panjshir can be broken down into a number of categories:

1. Striking at the bases of the enemy with light arms such as Dushkas, mortars and artillery which the Mujahidin carry out from time to time. These have resulted in the enemy's failure to appear and move during the day within his bases, out of fear of strikes from the Mujahidin.

2. The laying of mines in roads leading to the enemy's posts, especially when the enemy supplies his bases with supply materials, ammunition and accessories. He has sustained grievous losses through these mines.

3. Firing at individuals in posts which have been established at the tops of some mountains with light weapons. The Mujahidin have managed to kill many of the people in them when the people have emerged from their barracks. Two or three people have been assigned to each post to carry out this activity.

4. Cutting off the enemy's supply lines by ambushes the Mujahidin carry out. The enemy has sustained grievous losses through these ambushes. Since these ambushes are made carefully and in total secrecy, their results are turning out 100 percent successful, and, by means of dushakhs and antiaircraft weapons which we have set up around the enemy's bases, we are able to bring down a helicopter from time to time.

This is the status of the fighting which is going on in the Panjshir valley. It is worth mentioning that we have managed to take over some of the enemy's posts a number of times and we can eliminate these posts for important reasons which we must not state. We have agreed to keep them so that the enemy will remain preoccupied in the valley and diverted from other fronts and the war will continue there.

[Question] Therefore it is apparent from your statements that the enemy controls many areas of the Panjshir valley, your primary base as you put it, because you said

that the Russians have established a number of bases inside the Panjshir. Do you believe that the same fate as the Panjshir will face your new bases as well?

[Answer] On the subject, I would like to say that the enemy began with the battles and attacks in the Panjshir, by which he was aiming at two things:

1. Keeping the Mujahidin preoccupied with fighting.
2. Exterminating the Mujahidin and taking over their positions.

However, the enemy failed, thanks to God and through the Mujahidin's carefully studied resistance and their perseverance in their goals, and he himself fell into a trap which he had set for the Mujahidin, since we see that he has become faced with a war he cannot get out of and that in order to save his face he cannot leave the valley. If withdrawal from it had not constituted a political and military defeat for the enemy, I am certain that he would not have continued with the war and he would have got out of the valley. Therefore the Russians are bogged down in their presence in the valley and are not repeating their mistakes against our other bases outside the valley.

In addition, the number of Russians in the valley comes to 3,700. There is another large force whose basis is a division named Division Two. If the Russians are bogged down and failing with this massive presence in a small area in all their plans, and are shifting from a state of offense to a state of defense and are sustaining great losses in lives and materiel every day, is it reasonable for them to repeat their mistakes some other time in another area? I do not believe that the Russians will venture upon such an action because it is difficult for the enemy to arrange for this tremendous number of soldiers and mobilize them for war in these bases, because that is costly to them in economic and human terms and because the enemy has tasted the result of this action of his in the Panjshir. If he carries out his experiment once again in these bases, there is no doubt that he will meet the same fate he met in the Panjshir. However, we have managed to establish many bases in various areas. The elimination of these bases makes it incumbent on the Russians to increase their number of troops in Afghanistan, which is something the Russians cannot do in the current circumstances in economic and human terms, as I stated previously.

We have said that the Russians have failed in their plan in the Panjshir, and you can perceive this failure and their defeat in their numerous recommendations regarding the holding of a truce and an agreement and on sitting down at the negotiating table. They have invited the heads of the Panjshir tribes to Kabul and have asked them to go to the Panjshir in order to obtain agreement on the negotiations, but they were confronted with rejection by them and we have been categorical in our rejection, because we have realized that this activity is not in the interests of our holy war and we have refused

to sit down with the Russians and their agents. We are certain that the Russians' preoccupation in the Panjshir is to our benefit, because we can be active in other areas in total freedom, security and safety.

[Question] I believe that the Panjshir was a model front and a springboard for your other holy war activities, and there is a military statement which holds, in effect, that great victories do not win the public opinion of the people if there is no example of holy war activities and it is farfetched that the Mujahidin will triumph. What is your opinion on that?

[Answer] Yes, an example is necessary, and that is what still exists, thank God. The Panjshir existed yesterday and today it is perseverant and fighting and the holy war there is no less than in the past, but as I have stated we have dozens of other examples like the Panjshir in other areas, and there is no cause for anxiety.

[Question] How do you evaluate the operation of the Kalfaghan victory militarily?

[Answer] From the military standpoint, we sense great progress, since when we study the composition of our groups and forces we find that various bases in various regions that are far apart such as Kashm, Farkhar, Varsaj, Khust, Faran, Kalfaghan, Panjshir and other units from the center participate in the operation under a single command, a single appeal and a single order. This is clear proof of the Mujahidin's progress in creating unity, systems and management within their ranks. From the standpoint of war tactics, we can call this operation a semi-mobile war, in the sense that we have revealed the enemy's deficiency and weak point and have amassed our forces from different places then have attacked him suddenly and once again dispersed to our original locations.

As to our reaching the stage by which we can carry out mobile and semi-mobile war—thank God—that is clear proof and strong, eloquent testimony of our progress in war tactics and successful schematic planning relative to the past.

[Question] What is the most conspicuous sign of your success in the operation?

[Answer] The most conspicuous sign of our success in the operation is the fall of the Kalfaghan camp or base (the Kalfaghan garrison) in a period of no more than three-quarters of an hour, with thanks to almighty God. When we look at this operation from the standpoint of special military operations, we find that heavy weapons were well used in this operation, relative to the previous ones, and managed to play their exterminating role and exterminate targets with total precision. Coordination between heavy and light arms was good, and (radio) communications were also used with full accuracy.

These are the prominent, distinctive points which we sensed in this operation, which was more organized and well-arranged in comparison with the previous battles.

[Question] On the basis of information we have acquired, we hear that the Russians have planned for many offenses against the Mujahidin's positions this summer and seek to show their final determination, after the result of these attacks, regarding a political resolution of the Afghan issue. Have you taken the necessary measures for this?

[Answer] No news has yet reached us concerning the Russians' offensive. If this news is correct and the Russians do carry out such an offensive, they will, almighty God willing, meet the same fate they met the previous times, and with God's grace and help our bases are prepared for defense and there are no grounds for anxiety.

[Question] What is your view regarding the issue of the national reconciliation which Najib, the head of the Kabul regime, has declared? What is your practical response in this regard?

[Answer] I believe that the Russians have adopted the national reconciliation as a cover for their successive military and political defeats, because they have been defeated on the military stage and have also been defeated on the political one, within their Communist Party, and have created this cover in order to conceal these defeats by means of it. Secondly, beyond this stratagem, they are aiming at creating a gap in the ranks of the friends of our holy war, and beyond this stratagem they are aiming at creating a dispute in the ranks of the Mujahidin, setting a trap for them and sitting down with them at the negotiating table in the name of national reconciliation. On the basis of what I have stated, I believe that this declaration is only a stratagem the Russians have devised in order to attain their evil aims, including the concentration and marshalling of their troops and preparation for the coming struggle.

At the beginning of the declaration of national reconciliation on Najib's part we held a comprehensive meeting in which all the brother commanders in the north of Afghanistan and the brother commanders from the other areas took part, and we rejected reconciliation, expressed our total readiness to continue the holy war to the road to victory and published this decision in the media.

[Question] What is your opinion on Zaher Shah?

[Answer] I believe that Najib's acceptance of Zaher Shah as a participant in a coalition government itself underlines the Russians' military defeat, because the Russians have been defeated at the hands of the Mujahidin in the fighting and are looking for a way by which they can

resolve the issue politically and emerge from the imbroglio. As far as Zaher Shah goes, I can tell you that the Mujahidin rejected Zaher Shah in the past and they will not accept his presence in any form now either.

[Question] We have also heard from Zaher Shah during his press interviews that he has presented himself as a servant of the people of Afghanistan, not as a king of theirs, in the future. Why don't the Mujahidin allow him to serve the people of Afghanistan?

[Answer] In the current circumstances Zaher Shah cannot serve the people of Afghanistan, and I believe that laying down arms and stopping the holy war is high treason. The holy war must acquire uprightness and perfection, and its permanent victory is necessary. That is a matter which is related to the defeat of the enemy and the Russians' readiness for direct talks with the Mujahidin. Until the Russians sit down directly with the Mujahidin who are the real representatives of the Afghan people at the negotiating table, I believe that all negotiations which take place will have no value, will fail and will harm Islam and the holy war. If anyone, whether he is Zaher Shah or someone else, does this, he will be rejected and we will not accept him.

[Question] If America, the Russians and Pakistan agree over Zaher Shah, in choosing him to rule, what will then happen?

[Answer] God's support and grace, first of all, then the will and determination of the people of Afghanistan in the material world, second of all, have defeated the Russians, thereby proving that despotic forces cannot impose their view on the Afghan people. They have indeed rejected his rule for the last time and the major powers cannot impose his regime on them by force, against their will.

[Question] I would like to hear from you, as the head of the council of overseers in the provinces of northern Afghanistan, about this council's achievements.

[Answer] The revolutionary achievements, at the outset, included unification of the ranks of the society's fighting men and coordination of holy war activities among them, since this coordination did not exist in the past. The council, by God's grace, has made it possible to create this coordination and bring all the brothers together around a single center and single leadership. It is worth pointing out that the formation of such a council in these circumstances, in the context of five provinces, was not an easy matter; unity among five provinces under a single command and a single commander in itself is a great achievement, and the council succeeded in it at the beginning of its first initiative. In the second stage, we began organizing the regions in a systematic manner subject to the principles of holy war. In the organization of these regions we started first of all by breaking them down into two parts, first the mountainous areas and second the desert areas. The council in a

short time managed to organize the mountainous areas in the optimum form. These areas proceed from Badakhshan in the northeast of Afghanistan to the north of the capital, Kabul, then Paghman. Since we managed to take over a massive strategic mountain area and turn it into bases for ourselves, this also in itself is a great achievement in which the council was successful in a short period.

In the third stage, the council succeeded in its efforts to unify the ranks of the Mujahidin from the other organizations besides the Hezb-e Eslami and to form regional federations in the provinces of Tokhar, Kunduz and Baghlan among the holy war organizations, so that the Mujahidin would be able to undertake joint operations against the Russians in a single rank, with a single statement and command, something that is unparalleled in the history of our holy war in the past.

The council also managed to ward off the latent disputes among the ranks of the fighting men of other organizations and play a successful, pioneering role in this. When any dispute occurs among the fighting men, the council sends its members and its rapid intervention to succeed in eliminating the dispute as rapidly as possible.

In the military context, the council has also succeeded by the grace of almighty God in establishing impregnable organized military bases which can defend against the Russians' offensives by whatever means there are. The defense, with God's permission, will be coordinated with the other bases, not isolated, and this underlines combat coordination among the fighting men in these regions. The council's achievements in less than a year include the performance of operations of taking over three important enemy garrisons and liberating these areas from his control, and the victories came one right after the other. That is, first the Farkhar garrison was taken over, then Nahrin, then Kalfaghan, which was taken over a few days ago, thanks be to God.

The council's achievements also include the establishment of an Islamic army, bases and individuals with an Islamic education, praiseworthy morals, a single flag and high military caliber. The council assembled these individuals within a group by the name of the central units. These individuals are brought up as commanders of groups (commandants) so that in the future they may carry out their role in forming an Islamic army as properly as possible.

These are some of the achievements the council has realized in this short period. In addition, the council has in this period performed fruitful economic services in the ranks of the civilians harmed by drought, since it has offered financial aid to these damaged persons so that they could farm their lands and to the domestic migrants so that these people would not be compelled to leave their homes and emigrate from Afghanistan, since the emigration of everyone is not in the interest of the holy war. The council of overseers has also managed to

convince thousands of families to abandon migration and decide in favor of remaining inside, with their brother fighting men, and convince them that with God's grace we can defend them. The council in the context of cultural and educational affairs has also succeeded in establishing a new Islamic educational system in all the bases, and we can reassure you about the progress of educational affairs in these schools under an Islamic organizational system.

[Question] As we see, you are greatly occupied as you bear the responsibility for five provinces. If other provinces are included in your mission in the future, I imagine that your time will be very tight. Therefore I believe that the reason for this is the absence of personnel specializing in the various affairs of holy war, although 8 years of holy war have elapsed. Do you consider that you in your capacity as chairman of this council over the stretch of this period have not been successful in carrying out this job, or have not determined to do so?

[Answer] I believe that it is a mistake for you to imagine that there are no personnel and that things are proceeding through individual rule. The personnel are present with respect to various affairs and activities are distributed among these personnel. All personnel carry out their activities in the utmost freedom. In military affairs, there is no longer need for me except in drawing up military plans; the brothers carry out the rest of the activity of the project themselves, especially the brother group or central unit commanders. They have total qualifications in planning and execution. Therefore, in the military context, we have self-sufficiency and we have skilled commanders, who plan and execute by themselves.

With respect to political and other matters, we have started educating our personnel, and this personnel is in a state of education and training, as in political affairs as well, and in spite of the paucity of numbers and resources, there are brothers who carry out cultural activities most accurately in my absence.

In any event, there is no doubt that we feel a deficiency in general in this personnel all in all, and feel that we need experts and advisers in various affairs to make up this deficiency on the whole. However, we are not needy to an amazing degree, because the council includes all these personnel. Meet with the brethren and through your meetings you will realize that most of them have higher academic degrees, but this presence is not as great as what we need and what the nature and intensity of our work require, and we are not at all short in such personnel and capabilities at all.



## INDIA

### Reactions to Government Cooperation With U.S.

45000027 Calcutta SUNDAY in English  
28 Nov 87 pp 10-13

[Article by Indranil Banerjee/New Delhi]

[Text] Has there been a radical shift in our foreign policy after Rajiv Gandhi's recent visit to the United States?

"The United States wishes to be a friend—a very close friend of India"—John Gunther Dean, US Ambassador to India, speaking in California in August 1986.

An offer of friendship may be the noblest of gestures. But when the countries involved are India and the United States of America, any sign of growing familiarity will inevitably raise speculations about the role of the other superpower friendly to India: the Soviet Union. Recent statements by US officials, both in Washington and in India seemed to indicate the forging of closer Indo-US ties. And Prime Minister Rajiv Gandhi's trip to the US seemed to strengthen conjectures about a significant alteration in the relationship between the two countries.

Given this situation, it is only natural that the two left-wing parties in India—the Communist Party of India (CPI) and the Communist Party of India (Marxist)—both of which have independent relations with the Soviet Communist Party, should be suspicious and worried. The Prime Minister's US visit and the declarations of further Indo-US cooperation have made them wonder whether Rajiv Gandhi has struck a deal with the imperialists. This could mean a significant shift in an alliance away from the Soviets.

The CPI(M) which had openly warned Rajiv Gandhi before his US visit against falling into an imperialist trap, now feels that had he heeded this warning, he would not have been ensnared by imperialist promises of aid. C. Rajeswara Rao, general secretary of the CPI, has also expressed the same apprehensions: "It is clear that he wants to bring US imperialists into our key sectors, like defence, technology and training of key personnel, by the front door, instead of the back door."

Nor is this apprehension limited only to the left wing. A section of the bureaucracy as well as businessmen and foreign policy analysts are considering the long-term implications of such significant gestures of friendship. The speculations and questions have been intense enough to force an emphatic denial from the Prime Minister that India is considering a re-alignment with the USA.

Apart from conjectures and speculations, what are the concrete indications of a re-alignment of India's foreign relations? Ambassador John Gunther Dean addressing the Federation of Indian Chambers of Commerce and Industry (FICCI) just before Rajiv Gandhi's October

visit to the US, admitted to the "talk of a new era in Indo-US relations." He illustrated his point by referring to new areas of bilateral cooperation. "Before 1985, if I had raised the subject of defence and security cooperation, there would have been very little to talk about. But today the subject sustains long articles in the press, and more importantly, long discussions in government buildings in New Delhi and Washington."

Until recently, the US state department and the Pentagon would habitually stonewall any request from India for high-tech defence items and for major armaments. The US government had even blocked the sale of Swedish-made Viggin jet interceptors to India on the grounds that the aircraft was powered by American-built engines. Similarly, in the early 1980's, India's request for buying 155-mm howitzers was blocked by absurd stipulations asking for 100 per cent advance payment in exchange for a staggered delivery schedule that allowed the US government to terminate the contract at will.

The November 1985 visit to New Delhi by US secretary of defence Caspar Weinberger signalled a radical change in the US attitude towards arms sales to India. The United States has now approved the sale of an advanced jet fighter engine (similar to those used in the F-18 Hornet) for use in the development of India's light combat aircraft project. And in September this year, the US government issued an import clearance licence allowing India to acquire the powerful IBM 3090 computer with appropriate software for designing and manufacturing such aircraft.

Many other Indian defence projects will also involve American technology. At a ministry of external affairs (MEA) meeting held in late October, Rajiv Gandhi said that the US had responded generously to the shopping list submitted by India. Clearly, an enormous amount of preparatory groundwork had preceded the drawing up of the shopping list. Visits by high-ranking defence officials—ranging from Max Kampelman (senior arms negotiator) to undersecretary of defence Ikle, airforce secretary Aldridge, chief of naval operations Watkins, and two commanders in chief of US Pacific Forces. Admiral Crowe and Admiral Hayes, have ushered in a kind of military cooperation unthinkable even two years back.

The decision to sell the Cray-14 supercomputer (despite its being inferior to the Cray-24 wanted by India) is another example of unlooked-for cooperation. For many months, the US defence department had blocked the supercomputer sale on the grounds that the Soviets would get access to the design and technology through their ally, India. The ultimate compromise indicating the new appraisal of India as a worthwhile potential client for American high technology.

However, it is not military technology but the imposition of what could be called bureaucratic know-how, that has provoked the loudest howls of protest. Unlike before, when foreign training for civil servants was optional and

based largely in England, Indian bureaucrats are now going to be sent to the US for training. As is only to be expected, the bogey of the CIA has immediately raised its ugly head. Parties like the CPI(M) and the CPI have already voiced their apprehensions about the future of India if her civil servants are to be pledged in return for military assistance.

Says Rajeswara Rao, "This is ominous considering the fact that the imperialists have been doing everything to prevent India from becoming self-reliant in economic and defence matters." Commenting on the Prime Minister's facile acceptance of US vice-president George Bush's assurance that the CIA is not plotting to destabilise India, Rao said it was "surprising, to say the least," considering that Rajiv Gandhi has been shouting himself hoarse about the CIA's destabilisation plans.

The Prime Minister has also provided further cause for alarm by dismissing Pakistan as a small country not worth bothering about. The Leftists feel that on the one hand this statement is based on American assurances of neutralising Pakistan, such assurances may have lulled the Prime Minister into a false sense of security. Critics feel that no new deal should be signed with the US without Parliamentary sanction.

The pro-US lobby in India have based their support of Rajiv Gandhi's new direction on the need to be less dependent on the Soviets. The USSR has recently broken all traditional limits to indicate their total support for Rajiv Gandhi. The general secretary of the Communist Party of the Soviet Union (CPSU), Mikhail Gorbachev went all out during the worst days of the Bofors controversy. The crisis facing Rajiv, he declared, would blow over. This was the first time a Soviet leader had supported an Indian leader on a domestic issue.

Such support, argue the US lobbyists, only increases the subservience of Indian politics to larger Soviet aims. And it indicates a desire on the part of Indian leaders to compromise with the Soviets for personal advantage. According to Major-General S.K. Sinha, the soldier-turned-politician, "We now find that the ghost of Wellesley's subsidiary alliance has suddenly become alive. Like many rulers of that period, who sought British support to remain in power, our rulers appear to be seeking Soviet assistance to survive in office."

Even if that is a baseless apprehension, advocates of the present tilt in foreign policy cite the significant material gains that could result from better relations with the US. Apart from better relations with the US high-tech items like computers, and sophisticated consumer goods, the current drought assistance from the World Bank is not to be lightly dismissed. The World Bank chief Barber Conable has announced, during his recent visit to India, an unprecedented \$300 million to be given as drought relief loans.

In physical terms also, the Americans could potentially provide greater safety for India. Aside from neutralising Pakistan, the Americans could also be a buffer against Chinese aggression—which the pro-US faction feels is a danger not to be underestimated. The current Sino-Soviet entente has promoted the belief that the Soviets may not be able to help India against Chinese aggression as decisively as in the past.

Notwithstanding all these arguments in favour of the US, the proponents for a drastic change in India's foreign policy are a very small though powerful, minority both within and outside the government. And what of the superpowers themselves? Apart from their political leaders, the political thinkers and analysts in both countries do not seem to either anticipate or favour any drastic change of alliance.

"It is a misconception that we discourage improvement in ties between India and the United States," declares Dr Serguei Velichkin, political counsellor at the USSR embassy in New Delhi. "Cooperation must, however, be conducted on the principles of noninterference, strict equality, mutual benefit and respect for sovereignty."

However, he does not believe "that US relations with India will be a radical departure from that superpower's over-all national interests and policies." The US is still holding fast to the "outmoded theory" of spheres of influence, and that is going to be the major contradiction in any new Indo-US alliance. Behind all agreements to provide relief and assistance, the main objectives of the United States is to have bases in South Asia—bases that will permit intervention in the oil-rich Persian Gulf region, and also allow them room for military manoeuvres in the Indian Ocean. US nuclear submarines could then easily be programmed to hit certain vulnerable Soviet targets. Many even suspect that such a naval base already exists in Quadar in Pakistan.

This view is also echoed by foreign policy think-tanks in the US like the Heritage Foundation. The primary strategic need for the United States, they feel, is to have an ally like Pakistan for projecting power in the Gulf during times of crises. Pakistan too, is aware of their strategic position. Any suspension of US aid as well as signs of Indo-US friendship provokes tantrums on their part. What is more, the recent crises precipitated by Israel over Pakistan going nuclear covertly, has put the US state department in a quandary. Should there be proof of Pakistan's nuclear capability or should the country be destabilised by internal forces, the entire US state strategy in South Asia would be wrecked. Given that possibility, it is not unnatural, as Velichkin points out, "that there are some adventurers in the US State Department who might be seriously believing in moving towards an alliance with India!" But the real shocker would be if India also decided to become adventurous.

### **Navy Reportedly Buys 2 Soviet Nuclear-propelled Submarines**

*BK140804 Hong Kong AFP in English  
0801 GMT 14 Dec 87*

[Text] New Delhi, Dec 14 (AFP)—India has bought two more submarines from the Soviet Union, a Navy spokesman said here Monday, amid reports they were the country's first nuclear-powered vessels.

The first of the two submarines, armed with conventional weapons but nuclear-propelled, is scheduled to go into service in January 1988, news reports said.

A Navy spokesman in New Delhi said he could not give any details as the two Soviet-built submarines were "highly classified."

The submarines were built by the Soviet Union in the 1970's and can cruise at 24 knots while submerged, the INDIAN EXPRESS newspaper said.

Naval sources said the two vessels did not belong to the "Kilo-class" of conventional Soviet submarines.

The Indian Navy has boosted its existing fleet of eight submarines, most of them Soviet-built, with two West German submarine to submarine killer (SSK) type vessels this year.

India plans to build four SSK submarines in the next eight years.

### **USSR, Italy Offer Cooperation in Energy Sector**

*46001083 New Delhi PATRIOT in English  
22 Oct 87 p 5*

[Text] India and the Soviet Union have recognised that considerable scope exists for enlarging their cooperation in the construction of new thermal and hydro power stations and transmission and distribution systems, reports UNI.

The Soviet Union has offered to extend assistance for new power projects in India of a total capacity of 300 mw, on which work could start before March, 1990. Those projects would yield benefits in the eighth plan period. The Indian side will examine the Soviet offer so as to identify suitable projects for further cooperation in the power sector.

The Soviet offer was made at the recently held meeting of the Indo-Soviet working group on power in Moscow. The Indian delegation was led by Mr M.M. Kohli, Secretary, Department of Power, and the Soviet side by Mr A. Peddubsky, Deputy Minister for Power and electrification of the USSR.

It was felt that cooperation between the Hydro Project Institute, Moscow, one of the premier organisations in the world, and the concerned Indian organisations in the area of design and engineering of hydroelectric projects would be of mutual benefit.

Italy has also shown interest in strengthening cooperation with India in the energy sector. This was indicated by the visiting Minister of State for Foreign Affairs of Italy Mr Gilberto Bonalumi, when he met the Minister of State for Power, Mrs Sushila Rohatgi in Delhi.

At present, Italian assistance is being availed of for supply of steam generators for stage II (2x500mw) of the Farakka Super Thermal Power Station and for Central Power Research Institute, Bangalore for its various programmes.

Mrs Rohtagi said that India expected to double its installed capacity in the power sector by the end of the century. At present it was about 50,000mw; plans were being formulated to increase power generation to meet the rising energy demand of the people, she added.

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### **Moscow Airlink Agreement Signed**

*46001087b Bombay THE TIMES OF INDIA in English  
22 Oct 87 p 4*

[Text] Bombay, Oct 21: The much-delayed Il-62 services between New Delhi and Moscow are expected to start shortly with the recent signing of an agreement between Air India and Aeroflot, according to Air India sources.

The four-engined 142-seater aircraft will replace the Airbus A-310 which has been found unsuitable for this sector.

The Soviet aircraft is being obtained on wet lease and the in-flight crew will comprise Indians and Russians.

The services were originally scheduled to start in August. However, there was a hitch in signing the agreement as the russians were stated to have made some last-minute demands.

The differences were sorted out and the agreement was recently signed between Air India and Aeroflot.

Meanwhile, Air India's commercial director, Mr Harish Malik, told a news conference here today that there were hardly any flight disruptions in the recent past.

With one Boeing 747 released for the Prime Minister, Mr Rajiv Gandhi's tour to Canada and the United States, only three flights were canceled and three others were merged, he said.

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**Laldenga Reelection to MNF Presidency**  
46001087a Calcutta THE STATESMAN in English  
23 Oct 87 p 1

[Text] Aizawl, Oct 22—Mr Laldenga, Mizoram Chief Minister, was elected unopposed for the 26th time the president of Mizo National Front on the concluding day of the 26th general assembly of the party today, reports PTI.

Mr Laldenga said that the MNF Government and the AGP Government of Assam should work hand-in-hand for the strengthening of mutual understanding and the accelerated development of the two neighbours.

Addressing the general assembly the Chief Minister said the MNF Government had initiated various schemes since its installation eight months ago.

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**Opposition Party Leaders Hold Delhi Meeting**  
46001086 Calcutta THE STATESMAN in English  
26 Oct 87 p 1, 9

[Text] New Delhi, Oct 25—Leaders of 22 national and regional parties today called for state funding of election expenses for the Lok Sabha and Assemblies. They demanded that the voting age should be reduced from 21 to 18.

The meeting, convened by Mr N.T. Rama Rao, the Andhra Pradesh Chief Minister, was attended by the Leftist parties as well as the BJP. The congress (I), though invited, stayed away and comments by its general secretary were criticized.

"These unwarranted remarks betray not merely an attitude of indifference to this vital issue but clearly establish the vested interest of the ruling party in perpetuating the defective electoral system" they said.

The meeting welcomed the initiative taken by Mr Rama Rao in funding elections to the local bodies in Andhra and hoped that this step would hasten the process of electoral reforms at the national level and lead to a consensus on changes in the electoral laws.

The leaders said: "Despite the ruling party's repeated assurances to initiate electoral reforms, no attempt has yet been made to usher in any change. The meeting demands that the Union Government immediately initiate a dialogue with all political parties and introduce reforms which should include simultaneous elections to the Lok Sabha and the State Assemblies". They wanted the term of the local bodies to be fixed and elections made constitutionally mandatory at specified intervals.

The leaders said that a multimember Election Commission be set up by the President in consultation with the Chief Justice of India, the Prime Minister and Opposition leaders and the formation of Election Commissions at the State level.

The Chief Election Commissioner and members of the Commission at the Centre and State levels should be barred from accepting any office of profit under the Government, or otherwise, on expiry of their tenure.

The called for an amendment of the law to enrage the definition of corrupt practices to cover what the Supreme Court has described as "evil practices", which include announcement or disbursement of discretionary grants by Governments on the eve of elections.

Until the grant of autonomy to Doordarshan and All India Radio, the media should function under the directions of the election Commission during the election period.

Ways to impose practical curbs on expenditure on election propaganda should be devised.

The use of official cars, planes and helicopters by political leaders and holding of official positions for electioneering purposes should be banned.

The 18-suggestions included provision of multi-purpose identity cards to all voters at Government expense and the introduction of an electronic voting system.

Other suggestions included measures to prevent impersonation, rigging and booth capturing. Special arrangements were sought for the poor to exercise their franchise freely and without fear. It was suggested that the fool-proof system be devised to ensure that ceilings on poll expenditure were adhered to by all candidates.

Participants wanted the immediate delimitation of constituencies and fresh reservation of seats for Scheduled Castes and Tribes

Polling should be confined to a day in each State. There should be regular annual updating and display of electoral rolls.

A code of conduct had to be evolved among political parties to avoid exploitation of communal religious and caste sentiments. Election petitions should be disposed of quickly preferably within six months.

The meeting asked the Centre to immediately convene a meeting of political parties to decide on the electoral reforms and initiate action.

The parties and leaders represented included Mr Indubai Patel and Mr Era Sezhiyan (Janata), Mr Devi La and Mr B.P. Maurya (Lok Dal), Mr L.K. Advani and Mr A.B.

Vajpayee (BJP), Mr Harkishen Singh Surjit, Mr Som-math Chatterjee and Mr E. Balanandan (CPI-M), Mr Indradeep Sinha (CPI), Mr K.P. Unnikrishan (Congress-S), Mr Ajit Singh and Dr Subramanian Swamy (Lok Dal-A), Mr N.T. Rama Rao, Mr N. Chandra Babu Naidu, Mr P. Upendra and Mr C. Madhav Reddy (Telugu Desam), Mr V.C. Shukla, Mr Arif Mohammad Khan and Mr Hari Singh Nalwa (Jan Morcha), Mr Surjeet Singh Baarnala and Mr B.S. Ramoowalia (Akali Dal), Mr Amar Roy Pradhan (forward bloc), Mr Mura-soli Maran (DMK), Mr Tridib Chaudhuri (RSP), Dr S.S. Mahapatra (Samajvadi Congress), Mr Rajinder Puri (Ekta Party), Mr Pritish Chandra and Mr Ashutosh Banerji (SUCI), Mr Udaychand (Panthers Party), Mr O. Joy Singh (Manipur Peoples Party), Mr R.D. Khalap (Maharashtrawadi Gomanthak Party), Mr Sarad Joshi (Shetkari Sanghatana), Mrs Maneka Gandhi (Sanjay Vichar Manch) and Mr Binod Bihari Mahato (Jhark-hand Mukti Morcha).

Although Mr V.P. Singh did not attend, the Jan Morcha was represented by Mr V.C. Shukla, Mr Arif Mohammed Khan and one more leader.

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#### **Unrest Challenging Farooq Abdullah's Kashmir Government**

46240003 Calcutta RAVIVAR in Hindi  
19 Sep 87 pp 14-17

[Text] Last fall proved to be very unlucky for Farooq Abdullah. With the cooperation of Congress Party, he did manage to form a government, but this was merely the beginning of his end. His popularity began to wane. On the political front he suffered reverse after reverse. Even in regard to his election victory it has been said that it was marked by large-scale fraud. Administrative mistakes and Farooq's own style of work made things still worse. The same Farooq who used to be worshipped in Kashmir became so weak that far from delivering his customary address at the Srinagar Idgah (place at which Islamic functions are held) on the occasion of Id'al-Fitr last May, he could not even complete his Nimaz prayers. If such a thing happened previously, it would have led to a wave of anger in the state, but this incident went unnoticed. This has led people to question whether Farooq still enjoys majority support.

As soon as the National Conference leader became aware of his situation, he began efforts to recapture his position. During the past 3 months he has not missed a single opportunity to raise his popularity. He meets with people at his residence and during his visits to villages he mixes with the common people just as before, but now he is constantly guarded by security agents.

But all this has failed to dispel the crisis. Time and again he has explained why it was necessary to seek alliance with Congress, but his supporters have not forgiven him

for this betrayal. Many workers of the National Conference are still unhappy at this decision. Farooq's own people are criticizing the incompetence of the National Conference-Congress coalition government. National Conference legislator Abdurrashid Kabuli has issued several statements during the last 3 months criticizing the Farooq government. The chief points of Kabuli's criticism are: restrictions on citizens' rights, bungling of relief operations during floods, and neglect of the majority community in the matter of admissions to medical and engineering colleges in the state. Kabuli is rapidly emerging as a messiah for the disgruntled leaders and workers of the party. He has formed his own faction within the National Conference, and it believes that Farooq has lost the ability to lead Kashmir. The party leadership hesitates to take disciplinary action against Kabuli and his associates lest it split the party again, aggravating Farooq's difficulties.

Perhaps this is why efforts are underway to bring about a rapprochement between Farooq Abdullah and Abdurrashid Kabuli. Begum Akbar Jehan Abdullah (Farooq Abdullah's mother) is especially active in her efforts to see that the party's different factions are brought closer. To this end, she has even held meetings with some disgruntled workers. A top party leader says that as long as Farooq does not learn and change himself, there is little likelihood of success through these meetings. He also disclosed that at a recent meeting of party workers, party chairman Farooq Abdullah was showered with tough questions. This meeting had been called to discuss a ministerial expansion and changes in the portfolios of some ministers. It is believed that the ministerial expansion would not only lighten the duties of the chief minister but also avert a confrontation between the two elements of the ruling coalition. Many people from both groups are impatient to become ministers. At this meeting, however, the chief minister made it clear that before making any ministerial changes, he wanted to hear the views of more people.

The situation of the National Conference-Congress coalition is not a happy one. It is 10 months since they jointly fought the election, but the relations between their workers are still abrasive. There is ill will among some prominent leaders of both allies. On the one hand, National Conference workers are worried that Prime Minister Rajiv Gandhi's friendship with Farooq Abdullah has eroded the party's popular base and created tensions among the partners over power sharing; on the other hand, a powerful sector of Congress is openly denouncing the coalition. It says that this alliance was forced on them from above. Many Congressites in the state have been impressed by the resignation of Central Tourism Minister Mufti Mohammed Sayeed and also by the charge that the party high command has ignored the interests of the Congressites from Jammu and Kashmir.

Factionalism is not by any means a monopoly of Kashmir Congress, but because of infighting, even at crucial times, it has proved particularly damaging here. It is

because of this virulent factionalism that political observers were skeptical right from the start about the stability of this agreement, which was reached through the personal efforts of the prime minister and Farooq Abdullah.

On returning to power, Farooq Abdullah promised a workable administration. He thought that if an administration worked, people would be pleased and it would be possible to disorganize the extremists. But so far this promise has remained on paper only. The chief minister has not been able to breathe life into the administration. At the beginning of last month he himself acknowledged in the assembly that corruption had not been contained. The problems of the common man are on the rise, and the government has not been able to offer any relief. If there had been any improvement in the tourist situation it would have been some consolation, but due to many factors this has not come about. People connected with the tourism industry keep waiting at the Tourism Reception Center. Often they have to go home disappointed. If they encounter any tourists, it is in very small numbers. The government still has not evolved a worthwhile strategy to provide relief to the common man. Complaints against nepotism and administrative incompetence are commonplace. Political interference and the bureaucratic tendency to drag one another down has aggravated the situation. Many areas of the state have been devastated by drought. If there is any hope for the state's 80,000 unemployed youth, it lies in the fact that the state has been persuading big industrialist and non-resident Indians to take part in the industrialization of the state.

In isolated cases, action has definitely been taken against corruption. The government has issued a ban on the filling of vacant positions in various departments on the grounds that it encourages political graft, and it has dismissed the notorious Subordinate Services Recruitment Board. Speaking in the state assembly, the chief minister promised to put a stop to political interference in the administration and he appealed to the members to refrain from efforts to obtain jobs or admission into medical or engineering colleges for their voters.

Meanwhile, the biggest danger to Farooq Abdullah lies in the Muslim United Front. The Front's extremist preachings have poisoned the atmosphere in the state and have borne fruit in the form of some recent incidents. One such incident was 4-day rioting in Srinagar following an abusive remark by a student of Srinagar's Vishvabharti Womens College. This riot also underscored the delicate nature of state's communal situation.

The chain of events began in the third week of August when the University Grants Commission organized a seminar on Rabindranath Tagore and Sir Mohammed Iqbal at the above-mentioned college, wherein certain controversial observations were made. Many speakers, including a professor from Saudi Arabia, deviating from the subject matter of the seminar, began to eulogize

Rabindranath or Iqbal, depending upon the speaker's religion. One speaker gave such an inflammatory speech that some Hindu students showered him with questions. This inflamed the college campus. The next morning, when students came to class, a communal division had taken place. They were avoiding one another. It is said that a Muslim student requested help from a fellow-student, who was a Hindu Pundit, in carrying books, but she declined with the remark, "Call upon your Mohammed and he will help you." On hearing this, the Muslim student lost control and gave her a slap. Repercussions from this incident spread like wildfire. A Muslim student ran to the nearby Government Islamic College and apprised the students there of the incident. Thereupon they quickly abandoned their studies, and raising slogans, went into the streets. They were joined by criminal elements who are always on the lookout for such an opportunity. In no time many parts of Srinagar were engulfed in violence, and anti-Indian and pro-Pakistan slogans were raised. Rioting continued in the city for many days, during which one student lost his life, over 150 people—mostly students—were injured, and there was loss of government property. In the Vishvabharti College area, intervention by some local Muslims prevented the situation from getting out of hand, but the police kept alive their traditions and in order to beat up women students taking part in opposing demonstrations, they intruded into a higher secondary school in hot pursuit. Women students of another school were subjected to a cane charge. The police excesses antagonized even those who had remained aloof from the riot.

The chairman of the managing committee for the seminar on Tagore and Iqbal said in a statement that Dr Murtaja, said to have been educated at Harvard University and currently a professor at a Saudi Arabian university, in the course of his hour-long speech deviated from the main subject and made certain observations that were greeted by students with wild applause. Dr Murtaja said that the Koran is the only religious book in the world that is pure and original, whereas in all other religious books there is adulteration, and that the Koran contains God's final words. Speaking on Tagore, he said: I do not believe in idol worship but I do believe in one God. The chairman was obviously unhappy about his speech. In spite of requests to stick to the subject matter, Dr Murtaja kept on speaking in the same vein. The chairman of the managing committee denied that any woman student had made any remarks derogatory to the Prophet Mohammad.

Meanwhile, following these incidents a big Muslim United Front rally was held on 20 August in Srinagar's Iqbal Park, where leaders of the Front denounced "Brahmin imperialism" and called for a jihad to rid Kashmir of Delhi's colonial rule. In the rally it was said that the 10 million Kashmiris should be given the right to decide whether they want to remain within India or whether they want to accede to Pakistan. But some speakers, notably People's National Conference leader Ghulam Mohammed Shah, on his own decided the fate of Jammu

and Kashmir and began talking about Kashmir's accession to Muslim Pakistan. Addressing the nearly 12,000 people present, Ghulam Mohammad Shah said, "Do you think only you are Pakistanis and not we?" During the 2-hour meeting not only were anti-Indian and pro-Pakistani slogans raised, but the tricolor was burned and the Pakistan flag flown. Outside, police stood watching.

At this meeting, leaders of the Muslim United Front strongly denounced New Delhi and accused the Farooq government of helping New Delhi in its campaign to reduce the state Muslim majority to a minority. They bitterly opposed the Center's [Central government] request that the 2,768 families that had left Pakistan and settled in Jammu in 1947 and afterward be issued papers granting them permanent residence. Ghulam Mohammad Shah made fun of the government's family planning program, and he advised Muslims to produce the maximum number of children. He fixed the maximum limit for producing children at 12.

The Front leaders—including the fiery Muslim leader Dr Qazi Nisar Ahmad bin Mohammad from Anantnag and Abdul Ghani Lone, the chairman of People's Conference—began a campaign a year ago for the unification of Kashmiri Muslims and the safeguarding of their democratic rights.

Only a few days before the meeting, Sayyad Ali Shah Gilani (acting president of Jama'at-i-Islami, a part of the Front) and Maulavi Abbas Ansari jointly had complained against the oppression of Kashmiri Muslims by New Delhi and the denial of jobs in central government departments. They had also challenged Kashmir's accession to India. During the 20 August meeting, Abdul Ghani appeal led to students not to raise inflammatory slogans, but his appeal fell on deaf ears and the students forced Dr Qazi to stand in the car with the Pakistani flag in his hand and thus lead the procession.

In reality, there are two factions in the Muslim United Front. Lone and Abbas are described as moderates. According to sources close to them, they were forced to toe an anti-Indian line in the rally because the Jama'at and extremist elements associated with other organizations had taken control of the rally. This is supported by this statement of Muslim Students League leader Ghulam Nabhi that if they betray Muslims, then "our first bullet with hit Qazi Nisar and Mr Shah." Amid slogans of "Long Live Pakistan," "Break with India and Leave our Kashmir" and "Kashmir will become Pakistan," he said that the new generation of Kashmir had forced its leaders to fight for their objectives and to set the ball rolling for the accession of Kashmir to Pakistan.

From this it becomes crystal clear that moderate leaders like Maulavi Abbas and Lone are losing hold over the workers of the Muslim United Front. The inflammatory statements of Ghulam Mohammed Shah are understandable. On his own, he could never have dreamed of

holding such a big rally. Now he wants to rehabilitate himself in politics. In this situation he has no alternative but to outdo others in raising anti-Indian slogans.

The Farooq government has taken serious note of this rally, and charges have been registered against six Front leaders who spoke at the rally. No arrest has been made yet, but more than 30 persons have been taken in custody on charges of burning the tricolor and assaulting police. Meanwhile, it has become obvious to the Farooq government that at the moment, the Muslim United Front constitutes its main opposition group. Whatever Farooq wants to do for the welfare of Kashmir presupposes a peaceful atmosphere in the state. His coalition government has a clear majority, and so there is no immediate danger of his government falling, but in view of the way discontent is spreading in the valley and anti-Indian elements are gaining strength, it can be said without hesitation that the coming months will be full of challenges for him.

12286/09599

#### **Delhi Seeks Report on Tribals' Geneva Visit**

46001060 Bombay *THE TIMES OF INDIA in English*  
28 Sep 87 p 6

[Article: "Tribal Grievances Aired Abroad"]

[Text] Ranchi, 27 Sep—The Centre has asked the Bihar government to submit a background report on the recent visit to Geneva by a four-member delegation representing "Indigenous People," a tribal forum with its base at Ranchi.

The Union home ministry [is] concerned about the visit mainly because the delegation is reported to have raised the issue of the plight of the tribals in the country and the Jharkhand movement at several international fora in Geneva.

The four-member delegation which included Professor A.K. Kisku, former MP from Midnapore, and the former bishop, Dr Nirmal Minz, visited Geneva between 3 and 7 August this year. The delegation raised the issue of tribals' grievances and the Jharkhand movement on more than one international forum. The group also vociferously criticised the statement of the Indian government that no Indigenous People existed in the country.

It is reportedly this 'foreign connection' which drew the attention of the Union home ministry. Prompted by the Centre, a team of top Bihar official held detailed discussions with Ranchi district officials, including the commissioner and individuals well acquainted with tribal affairs. The vice-chancellor of Ranchi University, Dr Ram Dayal Munda, was forced to rush to Ranchi from Paina.



It is learnt that the state officials reprimanded the district authorities for failing to provide advance information of the Geneva trip. The state team also discussed the fresh developments on the Jharkhand front vis-a-vis the recently-concluded 3-day convention of the Jharkhand Samanvye Samiti at Ramgarh, and steps to combat the threat arising from the rejuvenated Jharkhand stir.

However, official sources denied that the Ranchi visit was primarily to study the 'Indigenous People's' topic. District officials described the meeting as routine review of the law and order situation.

Meanwhile, the members who visited Geneva are working towards the constitution of a formal body of the Indigenous people under the banner of the Indian Council of Indigenous Tribal People. The group is also organising a conference of indigenous people at Ranchi on 16 and 17 October, which is expected to be represented by delegates of approximately 40 organisations, including foreign teams.

The discussions during the conference are expected to revolve primarily around the social, economic, and political status of the tribals. The local representatives also plan to request the World Council of Indigenous People and the International Human Rights Commission to grant formal recognition to their group.

The conference is also scheduled to discuss modes of implementation of the measures incorporated in the report submitted recently by the International Labour Organisation on the subject of the tribals.

The district officials and the intelligence agencies will be monitoring the proceedings of the conference closely, which is expected to bring to the forefront of the Jharkhand stir a powerful Christian clergy-supported group.

/9604

### **Meghalaya Tribals Demand Ouster of Nepali Settlers**

46240002 *Calcutta RAVIVAR in Hindi*  
27 Sep 87 pp 12-17

[Article by Sanjiv Khitij: "Meghalaya Becoming Another Assam"]

[Text] We stood in front of 30 or 40 shacks. This was a very depressing evening of the first Monday of September in Mayong. This village, not far from Shillong, was scene of the latest violent act of Khasi youth. On 5 September, only 2 days earlier, the last of the Nepali families had to leave this area. We were surrounded by lonely, sad hills, wet trees, and blowing wind. The abandoned shacks in front of us were trying to hide an atrocious story of human bestiality.

Mayong is a small village situated on the outskirts of Shillong. The head office of Meghalaya police's first battalion is in this village. This village was populated mostly by Khasis. About 50 Nepali families had settled here one by one. They had built homes on a small hill behind the police headquarters. They were all Gurkhas (literal meaning protector of cows). They earned their living by selling milk from the cows they kept. They built shacks with wood and grass. Each shack was shared by 8 to 10 families. Each family occupied about 10 by 12 feet space. This little world of Nepalis was being threatened for the last few months. They were told to leave Meghalaya. Many families had left with whatever they could take with them. Some left because of the direct warnings they received and some after hearing scary news about atrocities committed by Khasis in other villages and towns. This drama of merciless evictions was being enacted for 3 or 4 months. By the beginning of September, most of these Nepali Gurkhas had moved to other places. There were three or four families which could not move for some reason. They were told to move away before 5 September. The scared families were ready to move out.

Among them was the family of Kharag Bahadur Khetri. Kharag Bahadur is a corporal in Meghalaya Police's first battalion. He was confident that because of his employment with the police he could afford to stay a little longer there. The morning of Saturday, 5 September proved to be pivotal for him. About 20 to 25 armed Khasi youth arrived in jeeps and began to evict Gurkhas from their shacks. No specific details are available, but approach in evacuation obviously was not very human. Shots were heard about quarter past ten. Alarm was sounded in the police headquarters and about 50 or 60 policemen rushed to the Gurkha settlement. The youth had gone away by that time. The police chased them and arrested 23 youth. All of them were armed with dangerous weapons. The vice president of Khasi Students Federation was one of the arrested youth. The arrested youth were from Molai, a Khasi majority area outside Shillong.

On Monday, only 2 days after the incident, it was not possible to put together the pieces that could solve the puzzle surrounding this atrocious incident. A square hearth remained where Kharag Bahadur's home once stood. He and his family are living in the police battalion's relief camp. We could see burned shacks, deserted hitching posts, and wet grass bales scattered around the slope. All that was left of most of the shacks were hearths with half-burned pieces of wood in them. Spice boxes and burlap bags were scattered all over the places. We also saw pictures of Bruce Lee and some others cut out from magazines and newspapers. The Nepalis had built a temple there, but it was a heap of slush covered with dried garlands and red vermilion marks. The walls of the temple made of wood and tin were lying upside about 10 feet away.

We met a Khasi woman going to her home with her cute son. Their home was a little farther down the hill from the deserted Nepali shacks. "Where have all these people



gone?" I asked them. The pleasant smile she gave us exemplified the friendliness, generosity, and self-effacing nature of these tribals of our Northeast. "God knows where they have all gone. People from other places used to come here to scare them. They left because of those people. We liked them, but could not do anything." That is all she could say during the 3-minute conversation.

The story of Nepalis sufferings can be better understood when you visit the camps established for the homeless Nepalis. Most of the camps were established by the Nepalis victimized by terrorists. This is a 2 months old story and still we do not know much about what and how all this happened. The Bhutnath temple is situated in the cemetery of Upper Moprem area of Shillong. This cemetery is mostly used to bury the Christian tribals and Marwaris. Moprem is a Nepali majority area and most of the Nepalis evacuated by Khasis moved to Moprem. The only place they could find to live was with the dead around Bhutnath temple. This was the first shelter camp for the homeless Nepalis. Later, there were as many as 16 such camps.

According to the records kept by Meghalaya government, there are only about 9,000 uprooted Nepalis. These records indicate that there are about 4100 Nepalis living in eight camps. The Nepali spokesmen, however, have a very different story to tell. According to them Nepali population in Meghalaya falls into two groups. One call themselves Indian Nepalis. They had been living here for many years, or were born here, and have made sacrifices for this country just like any other group living here. It is unfortunate that they have to talk about this now. The majority belongs to the other group. They have either moved recently or just visit here for a short time. However, there is not difference in these two groups when we visit the camps. We met Anjuma Mendhi, an Assamese lady living in the Gurkha camp established in a school. She is in this camp because she is married to Ranvir Bahadur, a Nepali. Two other Assamese females, Promila Das and Pratibha Das, are there for the same reason. They are married to Chander Bahadur and Dil Bhadur Pardhan. A Khasi policeman of Meghalaya police is also living in the refugee camp because of his marriage to a Nepali girl. This police man is living in the camp established by the Meghalaya police's first battalion.

They used to live in various villages. Even before the problem of transient Nepalis, there was no accurate count of Nepalis living in Meghalaya. There is no idea how many Nepalis have been uprooted from their homes. In refugee camps they talk about 30 to 35 thousand other homeless Nepalis. There were about 1,200 Nepalis living in Gurkha school. Only 900 are left there now. What happened to the other 300? Those who could afford it have returned to Nepal and some have moved in with their relatives. All this is still going on.

The life in these camps is nothing short of being hellish. The air is heavy with stink from mud, dirty clothes, and beds. The government issues food rations and the residents cook food in a cooperative kitchen. Some of them

have jobs and some go looking for daily labor. The government has established a camp for 1,500 in Barapani. Only 1,000 displaced persons are living there now. People living in schools are being moved to this camp. This camp, however, is far from places where one can find a job. no one has any creative plan to solve this problem.

Displaced Nepalis tell sad stories about their plight. They tell how their homes were burned, how they were beaten, and how their livestock was destroyed. They had to sell their milch cows of good breed at very low prices. The biggest question is about their future. They are facing a scary uncertainty. How long will they have to live in these camps? Will they be able to return to their homes? If not, then where will they end up? These questions are heavy in the hearts of these Nepalis living in the dirty camps. No one has an answer to these questions.

We met with two Nepali families in a village near Sumer about 30 kilometer outside of Shillong. Sher Bahadur works as a laborer in a jungle and Ram Bahadur operates a roadside tea shop. They were scared of the present atmosphere. They were trembling when talking to us. "No, the village people are not bothering us at all. Are not we still living here? However, we do not know how long we will be able to live here." They could not answer any of my questions. When I was about to leave, Sher Bahadur asked me with a forced smile, "What will happen sir?"

Shilling has divided itself into two parts. This scares us. There are Nepali majority areas and there are Khasi majority areas. Only Nepalis live in Moprem now. Khasis living in this area had to move to Khasi majority areas. Nepalis call Moprem their fort. Khasi taxi drivers are afraid to go to Moprem and Nepali taxi drivers do not dare to go to Khasi majority areas as Malki and Molai. Schools and colleges are closed. Police patrols the streets at night to enforce curfew. Khasi Student Union is trying to intensify this movement.

Gauhati and Shillong are 101 kilometers apart, however, Khasi Student Union and All Assam Student Union (AASU) are very close. This campaign is similar to the Assam Movement. Khasi students are modeling their campaign after it. They share a common goal — rid-dance of foreigners. It is also being said that this campaign is being carried out under the guidance of AASU. Sit-ins, causing electricity blackouts, and curfews carried out by people are the effective weapons these groups use. Students stage sit-ins in front of government offices and stop employees from entering offices. They also drown the city in darkness by staging blackouts in the evenings. They announce "people's curfew" and do not let anyone to come out of their homes.

The most devastating part of this movement is forced evacuation. Khasi Students Union has announced that no Khasi will rent land or home to any outsider until the

problem of foreigners is solved. Landlords have given eviction notices to their foreign tenants, especially Nepali tenants. Landlord had close personal relations with their tenants used indirect approaches in evicting them. They tell them that "those youth might come and burn the house. We do not want to evict you, but the circumstance dictate that you leave." Village headmen and Khasi Students Unions have advised the non-natives to either move out or be ready to suffer consequences. Interestingly, one such warning was signed by the president of the Village Defense Party. He is considered a quasi-government employee. Khasi students are opposed to the camps for the homeless. They are pressuring the government to close these camps.

In the beginning this campaign was aimed against all non-native groups. Business in Shillong was controlled mostly by Marwaris. Government jobs were mostly held by Bengalis and Assamese. Biharis and Nepalis made up most of the low-paid labor force. They belonged mostly to the lower or the lower-middle classes. Slowly, this campaign began to focus against Nepalis. There can be two reasons for this. First, Nepalis make up the largest groups of non-natives in the two Khasi districts of Meghalaya. Second, during the last few years some Nepali families had started to visit Meghalaya temporarily and then return to Nepal after working for a few years. Khasi student concluded that these Nepalis come only to make some money in Meghalaya.

Bul Lingdoh, president of Khasi Students Union, announces repeatedly that they do not want to bother any Indian. However, they do not distinguish Indian Nepalis and Nepalis who have recently arrived there. An old Nepali, who requested that he be not identified, and who has been working for the government for the last 15 years said that he and other people like him are subjected to the anger that is expressed against the Nepalis arriving from Nepal. He asked why does not the government seal India-Nepal boarder? Old residents of Shillong do not deny the Nepali problem. They complain about the violent and inhuman methods used to solve this problem.

'Dakhar' means a stranger and 'minderi' means a foreigner. These two Khasi language words have become scary words in Meghalaya. This is a new development. This beautiful state with its green valleys and clear lakes has not been attacked by tourists yet. Khasi people are traditionally known for their love for peace, generosity, friendliness, and sharing. This writer had some very interesting experiences about these qualities of Khasis. What made these people become suspicious and hateful towards strangers?

Natives (tribals) have been restricted to sell land in Meghalaya for the last 10 years. Any non-native who wants to sell land must sell it to the natives. No non-native is permitted to buy land from the natives. Of the 60 seats in the Meghalaya legislative assembly, 55 are reserved for the natives and only 5 are open to other

groups. Eighty five percent government jobs are reserved for the tribals. A close look indicates that the non-natives are a minority in this tribal province.

Wariness toward foreigners is prevalent in the whole Northeast. Meghalaya is no exception. The Assam Agreement has influenced this neighboring province. When the Assam Agreement was signed in August 85, demands to implement this agreement in Meghalaya were voiced immediately. Slogans demanding "foreigners go home" took roots in the minds of local tribals. However, at that time this movement was not violent or intensive.

Several small incidents that took place last summer changed the student campaign into a violent movement. A man named Amresh Thapa established a branch of the National Gurkha Liberation Front in Shillong. There were only 4 or 5 Nepalis in this group and the main purpose was to collect money for Subhash Ghising's movement. Khasi leaders, however, became suspicious of this group which incidently was abolished last month. Some Nepali students in the Nepali majority area of Nangmingsang tore up some posters displayed by Khasi Students Union. A Nepali man told us that this was done by some naughty Nepali students. The most offending act was writing slogans on walls demanding that Khasis should go home. There was another incident. Some tribal students beat up some Nepali students in Shillong College. The victims gave the name of Bul Lingdoh as one of the attackers in their report submitted to the police. The police arrested Bul Lingdoh. The students demonstrated and demanded release of their leader. The violent acts of June and July were the result of these incidents. These also transformed the Khasi Students Union into a violent and active group.

Bul Longdoh forcefully claims that he is not connected with any political group, however, politicians and political parties have reasons to be very interested in this student movement. This regional violence just before the February state legislative elections is no coincidence. The government led by William Sangma, the chief minister, is very weak and ineffective. His government has lost direction and is almost inactive. The police and government officials have hinted that they were unable to do anything because the top officials are undecisive. Khasi Students Union has always attacked the Congress government. William Sangama is a Garo. In the beginning he had tried to negotiate with the student group. Some of the decisions made by his government were criticized by the non-tribals. However, slowly the state government began to oppose the movements led by the tribals. People in Shillong still remembers some of the unbiased decisions made by D.D. Lapang, former home minister of the province. He was forced to resign from his position after the shooting incident last June.

The politicians are trying to ride this wave of hate and rivalry to get into the government. There is an uncanny similarity between the demands made by Khasi Students Union and the opposition leaders. It would not be

surprising if these opposition leaders were helping the student group secretly. It is unfortunate that these leaders do not know that the movement they are using selfishly to realize their political ambitions might lash back at them later. After regional and sectarian emotions are turned into violent acts, they cannot be suppressed easily.

P. Ripal Kadiah became the new home minister after D.D. Lapang resigned. Only the leaders of opposition parties were blamed for using this movement for political causes. I was surprised to hear that Ripal Kadiah is also accused of taking sides with Khasis to grind his political axe. He was involved in a secret meeting on 7 September. He is a Khasi himself and is the most powerful minister in the state cabinet.

I talked with him in his residence in the Saun Hills area of Shillong. I asked him about the Nepalis living in camps. He said that people insisted on staying in these camps because of their fears of violence. He added that some people had already returned home and the situation was becoming normal. "We are trying to send all of them to their home. Right now they are not ready." He told me that his driver was a Nepali and that many Nepalis lived in villages and they were safe there. In 1979, when Bengalis were being persecuted, Ripal Kadiah was a member of the opposition. He did not agree that the elections were tied to the student demonstrations and hatred movement against foreigners. However, he believes that some opposition leaders are using this to boost their political careers. "Our government does not take any sides. We just support the people. We do not divide them into religious or caste groups. Our government works according to the wishes of the people." He went on and on.

The Meghalaya of September 1987 is still there like an unfinished nightmare. In the two Garo districts most of the "outside" people are Bangladeshi Muslims. The Garos are fighting against these "foreigners." Graceful pine trees stand amidst this unrest. How long will this tirade against the "foreigners" continue? Will this state get rid of this atmosphere of tension and fear? There does not seem to be much hope of that. 07997

#### **GNLF President Submits Memorandum on Demands**

46001085 Calcutta THE TELEGRAPH in English  
24 Oct 87 p 4

[Text] Darjeeling, Oct 23 (UNI)—The Gorkha National Liberation Front (GNLF) has demanded that law and order and legislative powers be brought under the purview of the Centre's proposed hill council for a solution to the "Gorkhaland" issue, GNLF's Darjeeling district committee vice president, Mr P.B. Subba, said today.

The GNLF president, Mr Subhash Ghising placed the demand before the Centre in his 12-point memorandum submitted during the current talks in Delhi, Mr Subba said at a rally at Chakbazar here.

He said if the Centre was not in favour of giving home and legislative powers to the proposed council due to pressure exerted by the West Bengal government, "we cannot accept such a council."

Mr Subba said the council should have the power to collect revenue from the area and must have medical, engineering and agricultural colleges under its purview.

He said the memorandum urged the Centre to make the necessary amendments to the Constitution to ensure the rights of the proposed elective council.

Addressing the rally, the GNLF vice president, Mr B.B. Gurung, said there was no question of giving up the demand for a separate state. The proposed hill council would in no way fulfill Gorkha aspirations and the fight for a separate homeland would continue, he added.

Tension ran high in the hill town as several processions paraded the streets and assembled at Chakbazar. Shops downed their shutters. The current phase of agitation aims at "strengthening" Mr Ghising's hands.

The rally also urged the people not to observe Bhaitika tomorrow, but to continue the rally and procession until the talks between the GNLF delegation and the Centre ended.

On September 4, Mr Buta Singh apprised the West Bengal chief minister, Mr Jyoti Basu, of the discussions with Mr Ghising. Mr Basu also met the Prime Minister, Mr Rajiv Gandhi, later in the evening.

Mr Ghising who submitted a memorandum to the home minister yesterday, is said to have repeated his demand for full-scale statehood for the Gorkhas.

Mr Ghising had reacted sharply to the all-party resolution providing for the setting up of a hill development council. He told newsmen on October 15 that the council would not solve the economic problems of the hill people, as it had no scope to determine the identity of Indian Gorkhas.

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#### **Gorkha Agitation in West Bengal**

##### **Interview with Ghisingh**

46000025 Calcutta SUNDAY in English 21 Nov 87 p 14

[Text] SUNDAY: Are you worried about the present situation in the Darjeeling hills?

Subash Ghisingh: I am worried that the state committee members of my party might any time ask me to reject the Hill Council idea altogether and go in for an agitation for a separate Gorkhaland state. We are all under great pressure.

SUNDAY: You had gone to New Delhi for final discussions. What was the outcome?

Ghisingh: We were ready, but both the Centre and West Bengal government were not prepared. We placed our views before them, but it seemed that home minister Buta Singh, home secretary C.G. Somiah, all had separate ideas. This is how the confusion is worse confounded.

SUNDAY: What is the Centre's reaction to your fresh memorandum?

Ghisingh: Buta Singh has not rejected it. He even advised me to tell my people that the discussion was good. The Centre understands our viewpoints quite well.

SUNDAY: When do you expect to visit New Delhi next?

Ghisingh: I expect to go within this month. It would largely depend on when the West Bengal government formally passes its reaction to our memorandum to Buta Singh. Of course, the chief minister has most uncourtously spoken out his mind in Siliguri, instead of giving his replies in a conference room in New Delhi.

SUNDAY: Why do you refuse to accept the council with three hill subdivisions?

Ghisingh: It would be suicidal for the Gorkhas because in that case we would continue to live at the mercy of West Bengal. The solution that I have mentioned in my memorandum is really a test of the sincerity of the Centre and the state towards the Gorkhas. The Gorkhaland issue is a burning one, and Prime Minister Rajiv Gandhi even mentioned this in Vancouver during the Commonwealth heads' meeting.

SUNDAY: The Prime Minister has already said that the creation of administrative arrangements on a linguistic pattern is rather an outmoded idea.

Ghisingh: The linguistic basis for administrative set-up was finalised at the Lahore Congress in 1928. The great men including Pandit Nehru, who were responsible for this, had great visions. This was the motivating factor for the people of different linguistic groups to participate in the freedom struggle.

SUNDAY: The chief minister of West Bengal has accused you of playing a double role. What do you have to say regarding this?

Ghisingh: Let him dare turn down our blueprint of the Hill Council, and he will find me playing a single role. And that for creating Gorkhaland. I have not dropped the demand for a separate state. Jyoti Basu should remain grateful to me for creating opportunities for talks and saving Darjeeling from bloodshed.

### Government Response

46000025 Calcutta SUNDAY in English  
21 Nov 87 pp 12-15

[Text] The face is not always the index of the mind. The seemingly composed countenance of Subash Ghisingh, president of the Gorkha National Liberation Front (GNLF), does not betray the anger he has towards New Delhi. With hope in his heart, Ghisingh had traveled all the way to the capital to persuade the rulers to accept the proposal that he had drafted so meticulously. But at the end of the endless rounds of parleys between 19 and 28 October with the Centre and the state government, it was back to square one. Subash Ghisingh returned to Darjeeling a disillusioned man.

The disillusionment is also spreading among his followers, the youth in particular. Already, angry protesters have taken to the streets and inflammatory speeches are being delivered from every public dias. The GNLF has even threatened that its followers armed with lethal weapons are waiting for the call to battle. Not that the authorities have taken the threat lightly. Jyoti Basu, the Marxist chief minister of West Bengal, has warned that the draconian Antiterrorist Act would be used ruthlessly once again and as if to deter the agitators, the government has also rushed in additional security forces. The stage seems set for another round of bloody confrontation.

Subash Ghisingh is particularly upset over the fact that when the people are so emotionally surcharged, the powers-that-be failed to see "the infallible logic behind my argument for making the proposed Darjeeling Hill Council viable by merging a part of Siliguri, the northern stretch of Mahananda river, and a part of Jalpaiguri—the Dooars area—north of the National Highway 34, with the council." The people are so militant that the memorial of the late Deo Prakash Rai, the uncrowned king of the Gorkhas, was damaged in protest. It has led to the cry for a fresh delimitation of the Darjeeling parliamentary constituency by tagging the Gorkha-dominated Dooars belt of Jalpaiguri district with it.

Ghisingh said that the question of including the sprawling tea belt of Jalpaiguri—Dooars in the council was still open for debate, but their claim on a part of Silliguri was not negotiable. The GNLF chief also insisted that the proposed Hill Council be named the Gorkhaland Council. Ghisingh alleged that Jyoti Basu was only hastening the division of Bengal by failing to read the writing on the wall. If the authorities failed to see reason. Ghisingh warned, he would relaunch the movement for a separate

state without any hesitation. "I am not committed to any proposal, either verbally or in writing, least of all to accept a paralysed Hill Council", Ghisingh stressed, adding, "there is still total confusion both in New Delhi and in Calcutta about the basis for a possible solution." The GNLF would not accept any alternative to the Gorkhaland state. Ghisingh is sure that if the present phase of talks breaks down, the centre would be left with no choice but to offer Union Territory status to the Darjeeling hill areas.

The series of tripartite talks in New Delhi had led to the drawing up of a blueprint of an elective "Darjeeling Hill Council" with the object of granting self-rule to the three hill subdivisions of Darjeeling, Kurseong and Kalimpong. Just when it seemed that a solution to the gorkhaland imbroglio was at hand, Ghisingh submitted a fresh memorandum seeking a larger area and extended powers for the council. Ghisingh's argument was that he did not know that the council's jurisdiction would be restricted to the three hill subdivisions. The discussions he had been having with New Delhi, Ghisingh maintained, were based on an unsigned "single shelter" covering only the broad outlines prepared by the Centre's emissary, Inderjit, and which did not mention the area or the nomenclature of the council.

Jyoti Basu reacted instantaneously. It is a blatant lie that Ghisingh was unaware of the jurisdiction of the Hill Council, the chief minister fumed. The GNLF supremo knew everything as the proposal was drawn up after consultations between the Centre and the GNLF on the one hand and the Centre and the West Bengal government on the other, he asserted. Jyoti Basu even shot off a letter to Prime Minister Rajiv Gandhi. It read: "It is not possible, neither is it advisable, to consider the fresh demands put up by the GNLF."

The letter, which in fact contains the policy decision of the West Bengal government adds: "A time has come for the GNLF to be firmly told that they cannot stretch their demands to a point where all attempts for a solution become infructuous. I must also sound a note of warning. We should not be hustled into accepting a solution which may create more problems subsequently. We are trying to find a solution to the problems in Darjeeling hills; the solution is not for the Gorkhas in general in the country, but as restricted to the hills of Darjeeling."

What Basu actually meant was made clear at a public meeting he addressed in Siliguri on 1 November. While reminding his listeners that 60 percent of the population in and around Calcutta consisted of non-Bengalis, the veteran CPI(M) leader thought that the country faced a real threat from divisive forces who encouraged parochial feelings.

Ghisingh retaliated. He charged that the chief minister was hell-bent on dividing West Bengal by opposing the GNLF's demands. "The Centre must save the humble,

loyal and honest gorkhas from the colonial domination of Bengal," the GNLF president pleaded in his memorandum to Buta Singh.

Political observers feel that Ghisingh might spring yet another surprise by demanding that the Bill seeking autonomy for the hill areas by amending Article 244 of the Constitution, moved by the CPI(M) MP Ananda Pathak in 1986, be accepted as the basis for further negotiations. Such a move would invariably embarrass both the Centre and the state. The Parliament had rejected both the Bills moved by the CPI(M) in 1982 and 1986 seeking constitutional amendment for granting autonomy to Darjeeling and the surrounding areas. But with the GNLF actually campaigning for a separate state, the Marxists are unlikely to renew their efforts in that direction. Moreover, the question of amending the Constitution is anathema to the Centre. While rejecting the Bills moved by the CPI(M) in 1986, the then home minister, S.B. Chavan, had said, "We are opposed to the very principle because it would create a precedence for backward regions in other states also." It would, therefore, be difficult for the Centre to change its stand and oblige the GNLF.

Chief Minister Jyoti Basu has made it clear that the state government will not negotiate with the GNLF over the fresh demands. Besides requesting Buta Singh to reject Ghisingh's memorandum, the chief minister has asked the Centre to send back the eight companies of CRPF which were withdrawn from the hills only a few months back. The district administration has also been directed to take stringent measures to tackle any outbreak of violence. That the government had taken a hard line on the issue was clear from the words of the two district administrators, DIG R.K. Handa and district magistrate D.P. Patra. "Liberty to hold political negotiations does not mean licence for terrorism," they said.

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#### **Statistics Indicate Economy Needs Thrust, Direction**

46001082 *Bombay THE TIMES OF INDIA in English*  
22 Oct 87 pp 1, 10

[Article by D.G. Gupta]

[Text] On the eve of the new Samvat Year 2044, the business community feels that the Indian economy needs a definite direction and thrust. Efforts are needed to convert the severe drought situation in many parts of the country, into an opportunity.

A multi-pronged thrust to the economy has become necessary, since the growth rate of gross national product (GNP) in 1986-87 is expected to be lower than the level of 5.1 percent in 1985-86.

Despite several corrective measures taken by the Union and the state governments, the foodgrain production is expected to be 135-140 million tonnes in 1987-88, showing a fall of 10 to 15 million tonnes over the previous year. The recent rains in many parts of the country have improved the prospects for rabi crop.

The current drought is considered to be one of the worst the country has faced, and certainly worse than the one of 1965, when large food imports had to be resorted to.

But there is a qualitative difference between the situation in 1965 and 1987, in that, the country now has a buffer stock of 23 million tonnes of foodgrains, the area under irrigation stands at 62 million hectares against 31 million hectares in 1965, and Indian agriculture has developed the resilience to absorb the shock of four consecutive years of poor monsoon. This resilience, will prevent too steep a fall in foodgrain production this year.

As far as cash crops are concerned, while the cotton crop is expected to be better this year, the production of oilseeds is expected to erode further, and the sugarcane production is expected to be maintained.

The cotton output of 1986-87 (September 1986-August 1987) is likely to be marginally higher, at 100 lakh bales, compared to previous season's level of 95 lakh bales. The suggestion of the Indian Cotton Mills' Federation (ICMF) to import a minimum of 10 lakh bales of cotton, to overcome the likely shortfall in domestic output, is therefore, not being taken seriously either by official or trade circles.

The production of sugarcane is expected to be around 175 million tonnes this season (October 1986-September 1987), thanks to the favorable turn to the monsoon in Maharashtra in recent months. It may, however, suffer in western U.P. A marginal fall in sugarcane production is unlikely to affect the overall sugar production, which is expected to cross the previous record level of 84.36 lakh tonnes. Moreover, the present sugar policy will enable the industry to divert more sugarcane from jaggery and khandsari to sugar production.

The prospects for oilseeds are, however, non too bright. The production is expected to fall sharply next season, from 125 lakh tonnes this season. Considering the shortfall in groundnut, the major oilseed crop, the production is likely to drop below the 1985-86 level of 112 lakh tonnes, although it may not touch the low of 100 lakh tonnes in 1982-83. This is mainly because of increased production of mustardseeds and rapeseeds, and larger acreage under rabi oilseed crops.

The importance of achieving a breakthrough in oilseeds production is reflected in the comprehensive package of measures being implemented under the Oilseeds Technology Mission. Oilseeds prices have risen over the years, but this price buoyancy has often not accrued to

the farmers. Efforts are, therefore, needed to strengthen marketing arrangements, which would provide real support to the oilseeds growers.

During the five years 1980-81 to 1985-86, the higher growth rate in GNP has been achieved by the tertiary sector, as compared to the growth of the commodity producing sectors like agriculture and manufacturing. During the period, while the gross value added in agriculture and manufacturing registered growth rates of 2.7 percent and 5.9 percent respectively, that in the tertiary sector was 7.4 percent.

The tertiary sector now contributes 40 percent of gross domestic product (GDP). Although the growth in the tertiary sector is a sign of growing diversification of the economy, with a growing population, a large country like India will need a vibrant commodity producing sector for achieving economic growth on a sustained basis.

### Population Problem

Measures to control population should be given top priority. Family planning incentives provided at present are meager. Some observers feel that the benefits to the society from a cash incentive of even Rs5,000 per person in this regard would be more than from a expensive programme like the integrated rural development programme (IRDP).

A major reason for the drought is the massive deforestation and subsequent loss of green cover. Large scale reforestation programme will have to be taken up.

This is, no doubt, a long-term programme. In the meantime, dry farming can be extended. Cropping pattern too can be changed and short duration crop varieties, resistant to water-logging and droughts, can be selected.

Strategies for avoiding floods and subsequent destruction, in some parts of the country also needs to be evolved. Simultaneously, hydro generation of power can be augmented by undertaking long-term programmes.

### Industrial Sector

Since the industrial sector will have to provide the main support to the Seventh Plan growth rate, in view of the poor performance of the agricultural sector, it has become necessary to ensure that this sector is able to achieve the targeted growth rate.

The new index of industrial production, with its base as 1980-81 has recorded a growth of 8.6 percent in 1984-85 and 8.7 percent in 1985-86. During 1986-87, the index is expected to register a rise of around seven percent. Several industries like fertilizer, coal, salable steel and jeeps have been facing the problem of accumulation of stocks, indicating a mismatch between production and

offtake. The weakening of demand in some industries is attributed to the slackness on the agricultural front. Some industries have had to face unfair competition from large scale inputs.

While some imbalance between capacity and demand is unavoidable, in the current stage of transition from a protected to a more competitive environment through which the Indian industry is passing, the industrial sector can be expected to achieve resilience in due course.

While permitting liberalised imports, it is necessary to watch the undue strains on the country's balance of payments. Timely fiscal incentives for broadening the market can help many industries. At the same time, incentives for achieving economies of scale of production, employing high technology need to be provided in certain sectors of industry.

In the context of the deteriorating balance of trade position, concerted efforts are needed to boost exports of non-traditional items. Although exports have shown a rise in the current year, the growth rate needs to be accelerated. The initiative taken by Mr N.D. Tiwari after assuming charge of finance and commerce ministries is no doubt welcome. Captains of industry hope that Mr Tiwari will initiate imaginative policies, which will be export-related.

### Capital Market

The capital market exhibited mixed trends in the Samvat Year 2043. While approvals and new capital issues were higher than in the previous year, the response to the new issues in the primary market from the investors was non-too-encouraging. This was mainly because the share—markets behaved erratically during the year. This naturally had an adverse impact on the primary market.

In recent years, the capital market has been growing steadily. This has enabled large corporations in both the private and public sectors to raise considerable resources for financing their rising investment needs. The new issues market, which was buoyant during 1985-86, turned cautious during the last one-and-a-half years.

It cannot be gainsaid that a vibrant and active stock market is necessary for the growth of the corporate sector. However, the market needs to develop on healthy lines. Excessive speculation by insiders and other operators needs to be curbed.

There is need to improve the market structure as well as the systems, procedures and technology to render prompt and efficient services to the investors. The stock exchanges have undertaken mechanization and computerization programmes. The progress is, however, quite slow.

The recent decision to permit private limited companies and institutions to become members of the stock exchange is expected to help the stock exchanges in rendering improved services to the investing community. In the coming years, this might lead to a process of consolidation of membership on the stock exchanges. While the large firms engaged in this business will be able to render the services to a large body of investors, small brokers operating at present can expect to assist the big firms in putting through transactions on the stock exchange.

The regulatory mechanism of the stock exchange governing boards needs to be tightened further. As the number of investors grows and more companies get their securities listed on the stock exchanges, the volume of business on the stock exchanges is bound to grow. To handle such a large volume, streamlining the procedures and systems will be needed.

### Exuberance Lacking

The stock exchanges in various parts of the country will commence trading for the new Samvat Year this week. On the eve of the new year, exuberance is lacking although there are no signs of nervousness. There is less of cheer and more of hope for the new year.

On the whole, the Samvat Year 2043 hasn't proved rewarding to investors in general. The all-India Economic Times index for ordinary share prices has shown a marginal rise of 6.5 percent over the year against the net rise of 14 percent and 58 percent, respectively, in the previous two years.

The Union budget for 1987-88 proved to be disappointing for the market. Budget proposals, like inserting a new section 194E and imposition of a tax on at least 30 percent of the book profit of companies had a dampening impact on the market sentiment. No doubt, the proposal to reintroduce the new section 194E was withdrawn later and the rigours of the minimum tax on corporate profits were softened. But these did not have any perceptible impact on the market sentiment.

At one time, the share markets faced a crisis of confidence. Investors were demoralised, having suffered heavy erosion in their investments in shares and debentures over the year. Besides heavy unloading by bull operators, a wave of selling by small investors was noticed. Political uncertainties, resulting from allegations against the government also contributed in dampening the sentiment.

Markets were hoping for a good monsoon, but these hopes were also belied. Extensive drought conditions in some parts and floods in some other parts necessitated diverting government funds. It was, therefore, feared that additional taxation for meeting a part of the expenditure to finance drought and flood relief measures might be needed.



Share market circles received well the announcement of the appointment of Mr N.D. Tiwari as the finance minister in July, since it was hoped that he would take measures for reviving the capital market. But the recovery phase proved short-lived. The turnover on the stock markets came down considerably.

Sharebrokers in Bombay abstained from trading for a few days in September, as a protest against the continuing restrictions on trading in specified shares. The Controller of Capital issues set up an informal working group with Dr S.A. Dave, executive director of IDBI, as convenor, to look into the suggestions relating to current regulations and restrictions on trading submitted by the various stock exchanges. The committee has recommended relaxation of the existing curbs in a phased manner, and the implementation of the first phase of the scheme is to commence on "Moorat" day.

It is generally expected that normalcy will be restored soon and that the market can hope for better days if the government proves successful on taking measures for reviving the economy. Ultimately, the strength of the capital market rests on the performance of the corporate sector. Investors' confidence can be expected to be revived when the corporate sector starts turning out improved results.

### Balance of Payments

For the second year in succession, the balance of payments remained under pressure in 1986-87. Export growth during the year was strong in volume terms. The drop in international oil prices provided a saving of over Rs2,100 crores in oil import bill during the year. The rapid rise in non-oil imports, however, continued.

India will, however, have to be watchful about certain disquieting features in the international scene. These include subdued growth rate in the industrial countries and non-too-bright prospects for improvement in world trade. The rise in international oil prices is likely to add to India's oil import bill. The prospects for concessional assistance are unsatisfactory. In this context, India might have to resort to larger commercial borrowings. There is not much room for drawing down of foreign exchange reserves for financing the current account deficits. Thus a vigorous export drive and careful planning of imports will be needed.

/9738

## IRAN

### Austrian Arms Sale Assumes Political Dimension 46190001a Paris LE MONDE in French 22 Sep 87 p 3

[Article by Waltraud Baryli: "The Scandal of Arms Sales To Iran Has Taken On Political Dimension."]

[Text] The sale of arms to Iran by the Noricum Company, a subsidiary company of Voest-Alpine, the country's largest nationalized group, continues to rock Austria.

The scandal, which now takes on political dimensions, gave rise to a debate on the advisability of the manufacture and export of military equipment by a neutral country which necessarily must respect certain rules of good conduct. Although strict, the laws in force are however apparently easy to circumvent.

A downright cry of indignation was unleashed last week by a Voest spokesman who announced the company's intentions to build an arms production plant in Iran. This project, dubbed "madness" by political officials, was immediately denied by the general manager of the company, Herbert Lewinsky, who indicated that the plant whose construction was being considered for Iran would "be barely good enough to manufacture cooking pots," and unable to manufacture arms.

Meanwhile, the revelations of these past few weeks concerning the "Austrian Irangate," led to the arrest of the former president of Noricum, Peter Unterweger, and placed the former and present management of the Voest in an embarrassing position. The latter is having difficulty convincing public opinion that it had no knowledge of the questionable business of its arms subsidiary, the more so as a share of the profits derived from the arms contract helped to replenish the coffers of the chronically in-the-red Voest-Alpine.

The scandal took on a political dimension with the testimony of the wife of a former Voest director who was arrested last year following fraudulent oil speculations; according to her, the former socialist chancellor Fred Sinowatz and Minister of the Interior Karl Blecha knew about these irregularities. They both categorically denied these allegations.

The investigation conducted by the Linz public prosecutor's office concluded that, in 1985 and 1986, the Noricum Company probably sold 140 GHN-45-type guns to Iran, by deceiving the government with false certificates showing Libya and Brazil as the consignees of the war equipment. The contract covering the delivery of 600 guns over a period of 3 years, was signed in 1983 in Tehran with the Fasami Iranian company, and is said to have brought in some \$300 million to the company.

### Mysterious Death

During the summer of 1985, the Austrian ambassador to Athens, Herbert Amry, who had gotten wind of the affair, passed on the information to the authorities in Vienna. A few days later, Amry died of a heart attack. His sudden death was covered extensively in the Austrian press.

Last June, the case was brought back to the public's attention with Gernot Prescher's testimony, the former director of the Voest Intertrading commercial house, who had also been arrested within the scope of the



oil speculations of the state company. He claimed to have received 2 million schillings from Noricum in exchange for keeping secret his knowledge of the illegal arms markets.

Following this testimony, Heribert Apfalter, the retired former director of Voest-Alpine, was summoned before the judge for questioning. He also died of a heart attack shortly thereafter. Obviously, the disappearance of two important witnesses does not facilitate the investigation, to say nothing of the rumors that it arose.

This affair is particularly embarrassing for neutral Austria and the Socialist Party; the latter wanted to "moralize" arms trading with a very strict law on exports and to prepare the conversion of the arms industry.

The regulations in force forbid selling to countries involved in an armed conflict, or at a risk to be involved, as well as to those which do not respect human rights. Controls, however, are proving to be inadequate, if not impossible. The Noricum affair gave rise to a lively discussion.

As for the socialist mayor of Vienna, Helmut Zilk, he proposed to submit the authorization-of-arms-export issue to a referendum.

6857

**Argentina Refraining from Purchasing IRI's Goods**  
46400018b London KEYHAN in Persian 29 Oct 87 p 8

[Text] While the Islamic Republic was a major purchaser of Argentine grain in the early years of its existence, this nation, citing its lack of need for the Islamic Republic's products, has purchased almost nothing from Iran to date. According to a report from the Iran Chamber of Commerce, Industry and Mines, commercial relations between Argentina and the Islamic Republic have been one-sided in recent years. Quoting a report cabled by the ISLAMIC REPUBLIC NEWS AGENCY from Buenos Aires, the aforementioned publication writes: Despite the expression of interest on both sides in solving the problems with the existing trade imbalance and the exchange of petroleum delegations between the two countries, there has as yet been no result because of the Argentina's oil self-sufficiency, and the export of Iranian petroleum products in exchange for the purchase of agricultural goods and food products from that country, although repeatedly mentioned in all the talks, has not yet been put into practice. According to a report from the Argentine Ministry of Agriculture, this year Argentina will export about one million tons of wheat to the Islamic Republic. In addition to wheat and some industrial products, Argentina annually exports machinery, electronic devices and a significant quantity of arms and ammunition to the Islamic Republic. In 1986 Argentina's exports to the Islamic Republic came to about \$255 million. The major part of this was foodstuffs and

wheat. On the other hand, Argentina's purchases from the Islamic Republic are quite insignificant and do not exceed a few million dollars.

9310

**Announcement Reportedly Makes Blood Giving Compulsory**

46400018a Stockholm NAMEH-YE MARDOM  
in Persian 12 Sep 87 p 5

[Text] The Central War Support and Aid Staff of the Islamic Republic's Ministry of Education issued a memo to the support and aid staff at the Gilan office of education. After a deceptively friendly introduction of sorts asking 'esteemed cultured people' for blood donations, it announces a blood donation program that must be implemented as soon as possible. We reproduce this memo here for the information of the dear readers of NAMEH-YE MARDOM.

What is noteworthy in this memo is the precise 'identification' and 'reporting' of particulars, in a persistent and organized way, concerning all persons in the work force who have voluntarily given blood to date, in order to obtain blood. Of course this method has now become the norm in all areas of life in the Islamic Republic, and is not confined to the matter of blood donations. In view of this memo, persons in "the negative blood groups, especially 'O'" can expect to be awakened in their beds at night and taken to a mobile unit or the hospital. This plan, which really ought to be called the plan to pursue and pester blood givers, is an 'initiative' that could only be so called in the Islamic Republic. 9310

**PAKISTAN**

**U.S. Presence, Policies in Gulf Criticized**

46560006a Lahore NAWA-I-WAQT in Urdu  
11 Oct 87 p 10

[Editorial: "United States Should Not Start Trouble in the Gulf"]

[Text] Iran's navy has lost three ships in battles with U.S. Navy's helicopters. Iran claims that it has downed one of U.S. helicopters. After these incidents, the situation in the Gulf has become more serious. It is being feared that President Reagan might use his "special war powers." Meanwhile Iran's foreign minister has announced that Iran will make the Gulf another Vietnam for the United States. Iran has formed a "martyr force" for this purpose. Members of this special force will go on suicidal missions to destroy ships in the Gulf whether they belong to the United States or to other countries. There had been incidents in the Gulf in the past too and all this has resulted from the war between Iraq and Iran. This war has engulfed the whole area now in dangerous tension. This war between these two Muslim countries is a sad affair in itself. How happy non-Muslim countries are over it is apparent from the deteriorating

situation in the Gulf. Non-Muslim countries are encouraging both countries in their war efforts just to make them shed as much Muslim blood as possible. The United States has found a very good reason to station its naval fleet in the Gulf in the form of "providing safe shipping." Later, British and French naval fleets also showed up in the Gulf under the same excuse. The United Kingdom has also threatened Iran with vengeful action if its commercial ships or oil tankers are attacked by Iran. It is a known fact that the Gulf is very important to the United States, the West, and Japan from economic point of view. An oil tanker passes through this route every other second. This commercial route is in grave danger because of the war between Iran and Iraq. However, if the United States and other powers had not directly involved themselves in this affair, there would have been no danger to oil tankers in the Gulf. We just cannot expect Iran to keep quiet after the United States has openly helped Iraq and then challenged Iran by stationing its naval fleet in the Gulf. The Iranian revolution was born with slogans demanding "death to America." The enmity between Iran and the United States is at its apex now and the long psychological warfare between the two countries could erupt in an annihilating war any time. This whole geographic area will suffer badly from such a war. Pakistan has kept itself neutral in the Iran-Iraq war, however, we are worried now about the U.S. naval fleet just off of our own shores. We are also learning that the U.S. is planning to use Pakistan against Iran. Pakistan has very wisely refused to be a part of this scheme. Pakistan sincerely wants peace in this area. The heavy traffic of foreign naval vessels in the Gulf is not only dangerous to the peace in this area but also a threat to Pakistan's safety. The hostile attitude of the United States is evident from its special task force for the Middle East. The United States, it appears, wants to put an end to the diplomatic pressures it has been putting on the countries in this area for the last 25 years. The United States has betrayed every Arab country in the past. This superpower has alienated the whole Muslim world by supporting Israel since its establishment. With this kind of record, the United States is self-deluding if it expects its "friends" in the Gulf to believe that it is there to protect them. If the United States sincerely wants to help bring peace to this area, it should remove its naval fleet from the Gulf. The best solution to the Gulf problem is accepting Gorbachev's proposal demanding removal of all naval ships from the Gulf area. Only then can Iran and Iraq focus on ways to stop the war between them. We do not know what the United States will say to this proposal because the U.S. President is in an angry mood now. The popular opinion in the United States is opposed to involvement in any war after the Vietnam experience. Over 100 members of the United States Congress are knocking at the doors of the Supreme Court to take away the President's special war powers. If the leadership in the United States works hard to stop President Reagan from setting fire to the "barn of peace" on his way out of his office, the will not only save the United States but the whole human race!

### Foreign Firms To Help Produce Arms

46000030c Karachi DAWN (Business Supplement) in English 13 Nov 87 pp I, IV

[Text] November 12—Pakistan has decided to have joint ventures with reputable international firms to expand its defence industry. Negotiations in this regard have entered final stages and an agreement is likely to be signed with four companies in a few months.

Foreign companies in the deal would provide the technical assistance whereas skilled labour would be obtained from within the country.

This was stated by the Secretary Defence Production Mr Tariq Mustafa, while talking to the members of the executive committee of Lahore Chamber of Commerce and Industry on Thursday.

Indicating that at the lower level Pakistan was doing well in this sector, he told the LCCI members that in the production of rifles, bombs and ammunition the country had not only achieved self-sufficiency but export orders to the tune of Rs 300 million had also been received from other countries.

About the past history of defence industry, Mr Mustafa said at the time of Partition the British India had 17 ordnance factories which went to India after Independence. It was only in 1948 that Pakistan decided to set up the Wah Ordnance Factory. "But our advancement in defence production was significantly halted by the US military aid in the mid-50s," he added.

He said every effort was made to purchase parts and components for military equipment from within the country. He expressed satisfaction over the progress made in the re-build defence industry, saying not only most re-building work of aircraft, tanks and other heavy machinery was now done in the country, but Pakistan was also earning foreign exchange from providing that service to the friendly countries.

Replying to a question, the Defence Production Secretary said the matter of allocating budget to purchase military goods from the local industry was extensively discussed by the Defence Production Board and soon a policy would be chalked out to help the private sector in defence production.

He said the country was now able to manufacture a light plane—Mashq—which was a good replacement of Cessna. Countries including Greece, Egypt and even the USA were interested in buying this plane.

About standardisation of heavy vehicles, he said after the 1965 war there was an influx of heavy mobile units from China, France and America. Their difficult maintenance was hindering the way of standardisation.

Production of heavy machinery, he said, was a complex matter but Pakistan would also manufacture heavy armed personnel carriers, he assured.

He said Pakistan had asked the US, and the latter had agreed, to open service companies here for the Gulf and South Asian countries.

Earlier, in his welcome address, the LCCI president, Mumtaz Hameed, suggested that defence industry be treated at par with agriculture industries in the matter of concessions and incentives.

He also demanded removal of Sales Tax on defence industry and exemption of import duties on the inputs for this industry.

/06091

### **Commentary Criticizes Government Borrowing To Meet Deficits**

46560006b Lahore NAWA-I-WAQT in Urdu  
11 Oct 87 p 10

[Editorial: "Government's Borrowing Policy"]

[Text] The federal government has borrowed 15 billion rupees from the nationalized banks to meet the deficit caused by developmental and non-developmental plans. Ten billion rupees will be used to make up the losses incurred by government corporations and the remaining five billion rupees will be spent on developmental projects. Our country's economy is greatly hurt due to the practice of deficit spending carried out for a long time. The results of misuse of national resource on import of luxury goods and on unproductive projects within the country are catching up with us now. Our situation is so bad that we have to borrow money to pay interest on foreign debts! Our foreign exchange reserves have dwindled. Still, we have not succeeded in balancing our foreign trade. The government repeatedly announces how the rate of our national growth is increasing each year. The truth is that we have become a market for manufactured goods from other developing countries. The All India Radio recently announced that Pakistan's treasury was empty. Our government, of course, will say that this is simple mischief by communication media owned by an enemy country. However, we have to believe it when our government borrows money from banks to meet the deficit caused by developmental and non-developmental projects. Our country obviously is heading towards a crisis because loans from other nations are not available now. All this is something to worry about. These government corporations have done nothing but waste national wealth and spread corruption. The government should not waste another 10 billion rupees on these corporations. Instead, it should transfer them to the private sector. The policy of writing off loans owed by important people, providing unlimited funds to make assembly members happy, and protecting

corrupt employees is hurting our nation. The government must take action to stop misuse of our resources, balancing our foreign trade, stop dependence on other countries, and stopping tax evasion. Bringing corrupt people to the book can help stop wastage of our national wealth. It is important for our country's economy to finish all developmental projects, however, first we must eradicate fraud, corruption and maladministration.

07997

### **Japan To Provide Loans for Eight Projects**

46000030d Karachi DAWN in English 14 Nov 87 p 5

[Text] Karachi, Nov 13 (PPI)—Japan is providing a total of 263.26 million dollars to Pakistan for eight projects in the communications, agriculture, education and health sectors.

According to a report, the Japanese assistance includes grant-in-aid, commodity and project loans on concessional terms.

Project loans totalling 159.2 million dollars will assist Pakistan in the implementation of four development projects in power generation, telecommunications, ports and shipping and water resources.

A loan of 105.5 million dollars for the Karachi Electric Supply Corporation (KESC) is being used to add a fifth 200 mw heavy oil-fuelled generator to the Bin Qasim power station, and will contribute to narrow the demand-supply gap in electricity.

For the telex network expansion project, a loan of 13.1 million dollars has been pledged to install telex switchboards for a total of 9200 circuits in 16 cities, including Karachi.

Under another loan of 29.9 million dollars, a new dredger, a survey vessel and a workboat will be procured for keeping clear the eight km long channel leading to Port Qasim, near Karachi.

The Bin Qasim Port was constructed in 1981 as the second largest port of Pakistan but its long channel to the open sea has to be dredged to keep it clear after monsoon rains every year.

The loan of 10.7 million dollars for the Pat Feeder Canal rehabilitation and improvement project is intended to expand the canal for irrigating Nasirabad district farms in Baluchistan.

These project loans, according to the report, are repayable over a period of 30 years, including a grace period of 10 years, and carry a concessional interest rate of 2.75 per cent per annum.

### Commodity Loans

Besides a commodity loan of 76 million dollars will be made available for procurement of essential commodities from least developed countries and Organisation of Economic Cooperation and Development (OECD) countries. It will be repayable over 25 years, including a grace period of seven years, and carries an interest rate of 2.75 per cent. The scope of eligible commodities is very wide, allowing purchases of almost any item required.

The grant-in-aid of 28.06 million dollars for four projects includes 9.04 million dollars to be used by the Ministry of Education to purchase educational equipment, required by the Mehran University of Engineering and Technology, Jamshoro.

The second grant of 9.49 million dollars will be made available to the Communications Ministry for acquiring vehicles, machinery and equipment needed for the improvement of roads in the NWFP in order to remove the difficulties in the availability of food items and essential commodities to the people living in far-flung border areas of the country.

### Grant for SAZDA

Under the third agreement, Japan will provide a grant of 5.94 million dollars to Sind Arid Zone Development Authority (SAZDA) for the procurement of mobile medical units and other equipment needed for the improvement of medical facilities in arid zone of Sind province.

Yet another grant of 3.59 million dollars will be extended for upgradation of teaching facilities in phase one of Pakistan Marine Academy at Karachi.

Japan will also extend to Pakistan a three-year grant-in-aid totalling 28.08 million dollars, through contract authorisation, for a high-voltage and short-circuit testing laboratory project. The laboratory will be used for performance tests to improve quality of power equipment such as breakers and transformers.

Meanwhile, a training arrangement introduced by Japan International Cooperation Agency (JICA) aims at cooperation between the two governments to organise a course in civil air transport at PIA Training Centre, Karachi.

The arrangement will provide participants from neighbouring and developing countries with opportunities to refresh and upgrade relevant techniques and knowledge.

/06091

### Sind Said Free of Separatist Movements

46000030a Karachi DAWN in English  
11 Nov 87 pp 1, 12

[Text] Nov 10—Sind Chief Minister Syed Ghous Ali Shah has said there is no secessionist movement in Sind and the elements still talking against Pakistan are the ones who have not reconciled themselves with the creation of this country. Before expressing any concern about the Sind situation, one should not forget that the people opposing Pakistan have been doing so since 1947 "and they are all known faces."

He was delivering his presidential address at a meeting on Allama Iqbal Day arranged by the Markazi Majlis at the Alhamra Art Centre on Monday.

He allayed all apprehensions about a threat to the Pakistan solidarity and said differences among various provinces on different issues were like the ones within the members of a family. The edifice of Pakistan, he said, had been constructed on four pillars, known as Provinces and each of them was duty-bound to make edifice as strong as possible. The Provinces, he maintained, should settle the controversial issues with a spirit of tolerance and accommodation, instead of getting sentimental.

The Chief Minister said anyone who raised a slogan of confederation had been arrested and put on trial. Now, he added, it was up to the court to decide what action should be taken against such persons.

The Sind Chief Minister paid glowing tributes to Allama Iqbal who, he said, was a national hero and a guide of the Pakistani nation. The poet-philosopher, not only gave the idea of a separate homeland for the Muslims of the Subcontinent, but also gave a scheme to translate this plan into reality, he said.

He said the best way to pay homage to Allama Iqbal was to follow the ideology he gave to the Muslims.

APP adds:

The Sind Chief Minister said, the two-nation theory presented by Allama Iqbal was a guideline for the Muslims of this area, to wage struggle for separate homeland.

He said Allama Iqbal through his inspiring poetry prepared the Muslims to launch a campaign to get Pakistan.

He said that in the present circumstances there was need to follow strictly the message of Allama Iqbal through his works, so that the country be further strengthened.

He said this country, which was established after tremendous sacrifices, would be protected with the same spirit and zeal as exhibited during the Pakistan Movement.

The Sind Chief Minister said that the message of Islamic brotherhood, given by the Allama Iqbal should be projected and the young generation should be acquainted with it.

/06091

### **Commentary Examines Controversy Over Provincial Autonomy**

46000030b Karachi DAWN in English 11 Nov 87 p 7

[Commentary by M.B. Naqvi: "Raging Controversy of Provincial Autonomy"]

[Text] ANP chief, Mr Abdul Wali Khan, has reverted to his earlier stance, thanks to the military imposed One Unit, which is what a decade of Martial Law was, that the parameters of debate about strong centre versus provincial autonomy have changed. The old formula on which the 1973 Constitution was based is now seen to be unsatisfactory, if not irrelevant. At least the ANP would want a new national compact and, in any case, centre-province relationship was due for review after ten years even under the 1973 Constitution.

However, his advocacy of a new Constituent Assembly on a wholly new basis—equal representation of all provinces—for making a new constitution will be a cat among pigeons. The MRD is now thrown into a wholly new crisis even before it has tackled the dire threat from the PPP. A wholesale realignment of parties may have become unavoidable. The MRD in its present form cannot possibly survive. But this by itself is less significant than the pain it will cause to some centrist parties, not to mention the rightist ones.

### **Real Issue**

Despite the endless wordage being expended on ideological questions and Islamisation of the economy and politics, the real issue on which there is true polarisation is autonomy—in addition to Afghanistan and foreign policy, that is. Apart from dyed-in-the-wool rightwing parties and politicians, almost everyone now verbally supports a four-subject Centre. Indeed, one reason why the MRD became moribund is the insistence of some left-wing parties that it should define its aim more precisely. Many believe that the true reason for PPP's disenchantment with the MRD is the tendency of many of its constituents to demand a more exact spelling out of what its slogans mean.

The question of autonomy undoubtedly is a neat explosive one. Who can forget the East Pakistan crisis of 1970-71? The country came to a sorry end: it had to fight a civil war that later started an India-Pakistan war in which a humiliating defeat was suffered by enthusiasts of Islamic solidarity, strong Centre and opponents of both regional autonomy and plain one-man-one-vote democracy. The country was dismembered and the entire

Eastern Command of the Pakistan Army had to surrender. Why? Because the majority of Bengali population was alienated from its nominal national army, with its proclivity to take over and suppress democratic urges of the majority; Muslim Bengal preferred to welcome Indian Army rather than helplessly to bear the depredations of West Pakistani generals who never ceased mouthing Islamic nostrums but were only interested in their own power.

The bitter ironies of 1971 need to be remembered for a variety of reasons. The issue has not gone away. The 1973 Constitution was made by consensus. But the agreement was, in fact, tentative. While desperately wanting national unity of the 'residual Pakistan', much of the considerable opposition that unhappily coincided with ethnic divides, accepted the NAP-PPP compromises by way of giving them a trial in the given painful circumstances. In any case, all sides had specifically agreed to reassess the whole question of Centre-province relationship after a decade, together with some peculiar or unusual things (like 21-gun salute for a PM). No one took it as the final solution that left no room for improvement.

But the luckless 1973 Constitution suffered highly controversial amendments in its first few years and whatever Mr Zulfikar Ali Bhutto's compulsions, his military crackdown on Baluchistan sowed poisonous seeds. We are now reaping the bitter harvest. The 1977 military takeover has done for this New Pakistan what Ayub Khan's decade of stability had done in East Pakistan. To crown it all, the non-political elections, referendum and Eighth Amendment Bill have had a shattering effect on the minds of smaller provinces. Despite the considerable liberties being allowed to the people today, the aware citizens regard this Zia-Junejo democracy to be of the same genre as Ayub Khan's Basic Democracy; civil liberties may be real enough but the apparatus of control, via Eighth Amendment, is intact. Why?—if not for eventual use.

How will the ANP demand be received by the PML—that has attracted all the elements who were in the Shoor, PPP, Ayub Khan's PML Republican and, earlier still, Unionist parties—and its government is less significant than how other opposition parties will react to it. Among notable schools of opinion we can be sure of are JI, PDP, perhaps JUP and JUI and other (opposition) Muslim League factions; they will be scandalised. But PPP and TI will be impaled on a painful dilemma; indeed, they may actually be polarised but not necessarily very sharply. Smaller leftist splinters will certainly cavil at the phraseology, timing or other particulars of ANP move. But they will not be opposed to the generic idea and trend of thought underlying the ANP resolution. Probably they will wait for a while to see the general reaction before according an apparently conditional acceptance.

### Reflex Action

Although the ruling party's and the Government's reaction has been called less significant, it does not mean that these are not capable of mishandling or exacerbating the situation. Only, their strong disapproval, by way of a reflex action, can be taken for granted. The Central Government's treatment of Sind's law-and-order problem and general discontent, especially after 1983 movement, is a case in point. Its reactions are based on militaristic impulses and is quite innocent of a political approach. Sindhi grievances are genuine and a fact of life. Has anyone of them received any sympathetic consideration? Building more cantonments, no matter what the GHQ thinks or believes, is calculated to tell the disaffected Sindhis that Sind is not East Bengal; centres of power are not too far away. Nothing could be calculated to cause maximum mischief!

Few students of national affairs can pin any hopes on this military-sired democracy; its true freedom of action is in serious doubt, even if its perceptions can be taken as satisfactory. From a longer-run point of view, opposition parties hold the key. The one most significant fact is that most parties are divided along one main ethnic line: each party's Punjab unit is somehow more concerned with national unity, Islam and Pakistan ideology, strong Centre, patriotic pride and a softer corner for armed forces; many volubly regret the breakup of One Unit. In contrast their other provincial units are concerned with autonomy, a fair division of money and waters, rights of minority cultures and a far greater emphasis on human rights. There is no use turning one's gaze away this reality.

Another important fact is the fractious nature of politics in this country. Each province has its own interests and obsessions; political idiom and direction of thought is different in each province. Political apathy in Baluchistan could be mistaken for happy contentment only by the naive or the knave. Polarisation in the NWFP over the refugee question, Afghanistan war and bomb blasts is understandably distinctive. Sind is altogether different; here the Centre's difference to its problems and predicaments is the constant refrain; its readiness to think the unthinkable bespeaks an exasperation that is never reflected in the consciousness of political types in Punjab. In Lahore the next cabinet expansion and the activities of the CM Nawaz Sharif are the main themes, with Benazir Bhutto and the PPP occasionally breaking in.

### Main Party

Among the parties most in difficulty over the issue is the PPP: its Punjab component—arguably the main party—will react most strongly against any idea of rewriting the Constitution, as if the 1973 measure was a sacred text. But its Sindhi and Pathan and Baluch constituents will not at all be shocked by Wali Khan's lead. Indeed, many of them might be sorely tempted to come out in support

of the idea of giving more power and functions to provinces. It may be recalled when the time came to decide, in 1969, the fate of One Unit, the founder of the PPP was uncharacteristically silent; he never once lent support to the idea of breaking up the hated One Unit, though, to be fair, he did say afterwards that One Unit has been broken never to be rebuilt. His successor today will have even greater difficulty in making up her mind over the autonomy question.

But the sentiment in Sind needs to be kept in view. Of all the provinces, it is only Sind where provincial units of widely different parties frequently meet to form special united fronts. Here the left-right divide does not seem to matter; pure right-wing nationalists feel no qualms about rubbing shoulders with committed Marxists and leftists. Climate of opinion in Sind is altogether too peculiar and the consciousness of the need to do something extraordinary knows no known political division. Even the PML's Sindhi components talk a more nationalist idiom vis-a-vis the Centre.

Be that as it may, it will be interesting to watch how the different parties, in and out of MRD, react to the new idea: Mr Wali Khan's ANP is a strong reinforcement for the SBPF's demand for a new Constituent Assembly. By the same token most nationalist schools of thought will be strengthened. To repeat, Mr Wali Khan may have written the epitaph for the MRD, saying Ms Benazir Bhutto and Rao Rashid from the trouble of having to do so. But can all the autonomy wallahs of one sort or another stand together on the basis of a well-worked-out constitutional scheme rather than base their politics on imprecise slogans like four-subjects centre or confederation or even vague social reforms? For how long shall everyone make do with vague slogans? Should they not work out their demands in workable details?

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### Commerce Ministry Urged To Defend Cotton Industry Interests

46000031b Karachi DAWN (Business Supplement) in English 14 Nov 87 pp I, III

[Article by M. Ziauddin: "Will the Ministry Act Now?"]

[Text] While the world cotton scenario appears to be undergoing a qualitative change, the Federal Commerce Ministry is seemingly operating in November with the post-September indicators.

Even the fact that cotton exports in October, a relatively better month export-wise, could fetch only about 40 million dollars does not seem to have made the Ministry see the writing on the wall.

According to latest forecasts, the sustained rise in New York cotton futures during the first half of this year appears to have run out of steam. After the bottom fell

out of the market in the summer of last year, cotton prices began a recovery which was to last more than 12 months and take the market back above pre-slump levels.

### Drifting Futures

But in recent weeks, New York futures have again been drifting lower as earlier bullish interpretations of the statistical situation gave way to a more bearish outlook.

The forecast further said that the USDA recently projected the US 1987-88 cotton crop at 2.979 million tonnes, a rise of 678,000 tonnes on the reduced 1986-87 output.

Furthermore, the substantial increase in consumption estimated for 1986-87 of more than 1.3 tonnes is unlikely to be followed up in 1987-88 season. USDA currently expects global cotton offtake to fall to 17.9 million tonnes in 1987-88 from 18.06 million last year.

One potentially firming influence, it is said, could be the likely decline in world stocks. Beginning stocks for 1987-88 are estimated at 6.84 million tonnes, a drop of more than three million tonnes from last year and according to USDA figures next year could see another decline.

### The Toll

Bigger world production and a decline in world cotton trade are, therefore, taking their toll on prices. In New York, October position which was at 69.91 cents per lb on October 9, decreased to 68.91 on October 16, and further to 61.55 cents on October 26.

On November 10, cotton futures remained lower at mid-session, pressured by early trade selling. December delivery stood at 66.60 cents a pound, off 0.65 cents in a 66.95-66.30 range. Analysts noted USDA export figures have been disappointing and expectations of a higher crop yielded reinforced bearish sentiments.

While the future of cotton prices appears rather uncertain, the Cotton Export Corporation is reported to have sold in bulk to some friendly countries in need at much below the prevailing world prices which not only brought in lower foreign exchange but also upset the private sector which was supposed to book not lower than the posted prices.

The ensuing confusion reportedly forced the government to give up the practice of posting the prices every alternate day in consultation with the State Bank. Now the private sector exporter is obliged to book order at not lower than the prices communicated over telephone by the CEC to the KCA every day at a time that suited the corporation.

It is very clear from the emerging scenario that the government will not be able to mop up much from the cotton exports through private sector in the shape of cotton export duty. It is also in the realm of possibility that when the prices start declining rather perceptibly, the CEC will undercut the private sector by selling at lower prices while forcing the private sector to adhere to a higher posted price.

In the upshot, the country as a whole will suffer and probably end up with exporting around 480 million dollars worth of cotton as against 800 million dollars, estimated for the year. Last year, when things were not as good, Pakistan exported 400 million dollars worth of cotton.

### Dollar Factor

Another factor which the Commerce Ministry needs to keep in mind is the drubbing the dollar is getting from other hard currencies.

This would mean that if Pakistan succeeded in selling say 500 million dollars worth of cotton this year, the buying capacity of these 500 million dollars vis-a-vis other hard currencies would be much lower than the 400 million dollars earned through cotton export last year.

The entire scenario depicts not a very comfortable position for Pakistan. However, according to experts Pakistan can start cutting its losses by withdrawing all the curbs from the private sector cotton exports and letting it loose in the world market.

### Time Has Come

As it is, when the new cotton export policy was announced along with the budget, it was given to understand that the policy would be reviewed after monitoring the operations and ensuring that the private sector played the game in accordance with the rules and that all the regulations which actually reduced the private sector into a super duper salesman of the CEC will be withdrawn.

The experts believe that the time for withdrawal of these rules has come now. And in their opinion, the government instead of waiting till the end of December, should begin withdrawing from the cotton trade now.

This they said would put the CEC at a disadvantage, but in their opinion, the private sector would make use of its ingenuity and perhaps succeed in booking orders on the higher side of the market which the CEC, because of its own rules and regulations and because of its obligations to sell at lower than market prices to friendly government, cannot do.

The government also needs to keep a very close watch on cotton's upstream industries and their world demand. It is but natural that if the world demand of cotton

declines, the demand for cotton yarn would also be affected in sympathy after a time lag. When this happens, the government should be in a position to take the right decision at the right time. Any delay in taking such a timely decision would convert the Rs. 10 per kilogramme export duty on cotton yarn into a real burden and price the Pakistani yarn out of the market.

In order to preempt such a situation, the experts said the government should cut the private cotton yarn exporters loose at least a couple of weeks before the expected decline in yarn prices. This will enable the experts to evolve their marketing strategies well in time to make the most of the declining market.

The experts, however, feared that the Commerce Ministry which considered the policy of export duty a sort of a coup de grace and which also believes that this will bring in substantial revenues, was too engrossed in trumpeting its success to notice the changes that are taking place in the world cotton market.

They further feared that by the time the Ministry would become aware of these changes much water would have flown under the bridges and any action taken after that would only leave Pakistan holding an empty sack minus the so-called bonanza.

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#### **Cotton Export Agency Criticized**

46000031a Karachi DAWN (Business Supplement) in English 14 Nov 87 p 1

[Article by Shaheen Sehbai: "The Crime CEC Is Destined To Commit"]

[Text] Sitting on top of the deregulation corpse, CEC bosses are committing the same "crime" for which an ex-chairman and three top ranking executives remain suspended for the last almost one year—they are selling crops still standing in the fields.

The latest export figures when compared with the cotton CEC has purchased from the ginneries prove this point. Exports, as given out by the ECC were over 600,000 bales while ginneries had by the first of November sold only 2,113 bales to the CEC.

"But this is the only way cotton trading is possible," an almost angry spokesman of CEC responded when this question was put to him. "It has been done like this for years and it will continue to be done in the same way for years to come," he added.

CEC says the figure given by ECC is of physical shipments until late October. If that be so, then all export commitments CEC have made for the new crop would, naturally, be for crops in the field.

#### **Major Crime**

Sale of standing crops was the major "crime" of a former chairman of the CEC, its two directors and one general manager. It was hammered home so many times by politicians at so many forums that by now it has become almost impossible for them to think otherwise.

"These poor chaps have been declared guilty in public umpteen number of times and it would give the corruption-catchers of Mr. Junejo a severe jolt if they were told that the crime they have caught is a normal trading practice which is still being followed," an observer of the scene commented.

But the present CEC bosses genuinely believe what the former chairman did was essential if Pakistan had to get rid of the huge crop and also get a price, specially when the United States was prepared to sell its crop almost for free.

"This realisation is based on the facts they are facing now and the situation is not much different," says an informed source.

Even the present CEC Chairman, in his first public speech last September, admitted that this year the situation will not be very different. "Last year, despite higher consumption by the textile sector, around 3.5 million bales were left for exports. It will be the same this year," Mr. Sami Qureshi told a ceremony to distribute certificates organised by Pakistan Development Banking Institute in Karachi.

#### **The Difference**

And he estimated that 300,000 bales will have to be shipped monthly if the export target was to be met. This figure is exactly the same which Mr. Abid Hussain gave in his last public speech while addressing old students of IBA in Karachi.

"Our strategy was to keep the stocks moving and from only one port we shipped 300,000 bales every month to become the largest raw cotton exporter in the world," he had said.

But there is a very glaring difference between the situation this year and that of last year.

Mr. Hussain was speaking after he had used the country's limited capacity to physically export cotton, which is only about 300,000 bales a month. We cannot export more, no matter what our surpluses and export commitments.

Mr. Sami Qureshi has to achieve the same target when almost four months of the year have been lost during which, on an average 1.2 million bales should have been shipped.



And there is another crucial factor which the CEC will have to keep in view. The physical export of 3.9 million bales was possible only because two million bales were sold in one month.

### Impossible

But in the present conditions any large sale, let alone one equalling the two million mark, is next to impossible, unless Pakistan sells much below the relevant international index. But that would be a real crime.

So with four months gone and exports only reaching 600,000 figure, CEC is left with almost 4 million bales to sell and ship in the next eight months, of which 3.5 million bales would be of the new crop and another half a million bales of last year's carryover of 1.1 million bales, 600,000 of which have so far been shipped.

That leaves CEC with an average physical shipment target of half a million bales every month whereas the capacity, in the most favourable of situations, is 300,000 bales. So if everything else goes wonderfully well, CEC will be running a carryover of almost 1.6 million bales at the end of the year.

### The Cost

But all is not that well. With a stock of almost 4 million bales to sell at a time when the prime selling period was lost with the Ministry of Commerce fiddling with the export policy and export procedures, CEC has an uphill task of unparalleled proportions.

Officials privately blame the Ministry for keeping CEC tied until late September when the deregulated policy started functioning. Even after that the new system did not work and had to be scrapped late in October resulting in loss of another month.

So practically CEC has entered the market, with some authority to sell, only in late October. By then the positions of other competitors were well covered with the United States having sold its crops of 1988-89 as well to keep its market share.

In such a market, unloading 4 million bales will be an herculean task and no official is prepared to go on record to claim that it will be done, unless Islamabad permits them to go for panic sales below the ruling international price.

### Panic Stricken

After panic hit the Ministry of Commerce once the deregulation failed, permission has been given to sell standing crops, an insider revealed. "That also means that what was a crime in the past has been officially declared as a genuine act."

According to an expert the entire edifice of eliminating corruption in the PM's five-point programme, is built around the two most trumpeted symbols of bureaucratic corruption—the cases of EPB and CEC.

### Main Culprits

In both these cases politicians were the main actors and they have been conveniently allowed to slip out. What remains are these suspended officials against whom no charges can be established, except "Why did you not resist an irregular order of the minister" (as in the EPB case), or "sale of standing crops" (as in CEC case).

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**Commentary Questions Success of Cotton Crop**  
46000031c Karachi DAWN (Business Supplement) in English 14 Nov 87 p 1

[Commentary by Shaheen Sehrai: "The Million Dollar Question: Has the Crop Failed?"]

[Text] What would be the size of the current cotton crop? This is the million dollar question now baffling cotton experts and officials alike.

CEC sources say their zonal offices are reporting a major shortfall in view of the unfavourable climatic conditions ever since sowing began.

Private sector exporters think the target of 7.7 million bales has started looking too ambitious and if all goes well, the total crop would not be more than 6.5 million bales.

The matter has assumed such an importance that it was discussed in the ECC earlier this month, sources say.

"CEC told the ECC that a virtual crop failure would not surprise them but the Ministry of Agriculture insisted that the target would be met," an insider said.

So the ECC officially announced that the target of 7.7 million would be met.

But hardly the ink of the announcement had dried out, that the Federal Minister for Food and Agriculture let the cat out of the bag. He declared in Quetta that a shortfall of 400,000 to 500,000 bales was expected.

"That was only the first burst to bring the high hopes down. Slowly they will come down to the level of below 7 million bales and then to 6.5 million bales," a seasoned crop reporter of the CEC said.

The latest survey by PCGA shows that only 1.1 million bales of phutti arrived at the ginneries as of Nov 1, compared to 2.2 million bales last year—a drop of 50 per cent.

All kinds of economics are associated with the crucial question of the crop size, experts say.

"The current round of almost panic selling by CEC does not appear compatible with the crop reports because whenever uncertainty prevails, sellers hold their hand," a cotton exporter said.

"CEC appears to be selling under pressure from Islamabad to raise foreign exchange and they don't like the way things are moving," he added.

"CEC has sold almost 1.3 million bales in just about 15 days time at prices not comparing favourably with the relevant international cotton index," insiders say.

"The Ministry is pushing them so hard that now CEC has to send a daily position report on the sales," he added.

If the crop failure fears come true, Pakistan will be in a thick soup as CEC would not be able to export more than 2 million bales—almost half compared to last year.

Though this year the prices may be better, cotton may jolt the entire scheme of economic and financial management that politicians have carved to keep themselves afloat, experts think.

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### Article Describes Use of Water Resources

46000031d Karachi DAWN (Business Supplement) in English 14 Nov 87 p III

[Article by Dr Noor Ahmed Memon: "More Water Needed To Bring More Lands Under Cultivation"]

[Text] Of Pakistan's total land area of 79.6 million hectares, the cultivated area is about 20.6 million hectares and the average land use intensity is 64 per cent.

The total cropped area is around 19.81 million hectares and average cropping intensity 97 per cent. Only 21.3 per cent of the cultivated area is double-cropped while 25 per cent is fallow.

Some 15.62 million hectares of the cultivated area (or 75.8 per cent) is irrigated, of which 11.34 million hectares are irrigated from the Indus canal command and 4.28 million hectares from other sources.

### Largest System

Pakistan owns the largest contiguous irrigation system in the world. This system comprises of the Indus and its tributaries, 19 barrages and headworks, 43 canal commands and more than 89,000 water courses. The total length of the canals is about 62,000 km and that of water courses and field channels more than 1.6 million km.

Indus valley people with its oldest civilisation practised irrigation more than 2,000 years ago, but it all depended on the run of the river and inundation canals and branches of the rivers.

Modern large scale perennial as well as non-perennial irrigation was introduced in 1859 when Upper Bari Doab Canal was completed on River Ravi. It was followed by Sirhind Canal on Sutlej River in 1872 and Sidhnai Canal in 1886, Lower Chenab Canal in 1892, and Lower Jhelum Canal in 1886.

The major objective of this system was to spread available water as extensively as possible to prevent famine and to bring to maturity the largest area of the crop with the minimum consumption of water.

### Indus Water

At the time of independence (1947), the Indus irrigation system was divided between Pakistan and India without any consideration of irrigation boundaries. This gave rise to water dispute, which was ultimately resolved in 1960.

Pakistan received the waters of three western rivers—Indus, Jhelum and Chenab with a total mean annual flow of 17.6 million h.a.m. India received other three rivers—Ravi, Beas and Sutlej.

In order to meet the irrigation requirements of lands watered by these rivers, Indus replacement works were undertaken as Indus Basin Project. This project, which included Mangla Dam, 5 barrages, one syphon and 8 link canals, was completed in 1971. Simultaneously, the Tarbela Dam started partial operation in 1975-76.

Water availability for irrigation has steadily increased during the past decade but it has not recorded corresponding increase in the irrigated area.

### Channels

Almost all the irrigation channels of the system are unlined and designed on the regime (non-silting and non-scouring) theory, with the result that canals can be operated within a narrow range of discharge. This rigidity in the operation of earthen channels is a serious limitation factor in meeting the timely water needs of the crops.

The water balance of the Indus Basin has been significantly disturbed since the advent of irrigation, firstly by the continuous and expanding irrigation system and secondly, on account of virtual absence of drainage. This was aggravated by heavy percolation losses in the system.

The system was designed on the assumption that total losses will not increase. But the recent research findings have revealed that the actual operation losses are 50 to 60 per cent. Major losses occurred in canals, water courses and the farmer's fields.

### Availability

The overall water availability which increased by seven per cent from 97.79 million acre feet (maf) in 1980-81 to 104.73 million acre feet (maf) in 1985-86 is expected to increase further by 4.8 per cent to 109.72 maf in 1986-87.

The improvement in water availability is attributed to an increased number of tubewells installed during 1985-86

and 1986-87; the number of new tubewells installed increased from 4,464 in 1984-85 to 5,464 in 1985-86. It is estimated that another 5,464 tubewells would have been installed by the end of June 1987.

Surface water availability is expected to reach 69.69 maf and ground water to 40.03 maf during 1986-87 compared to 65.63.

Area irrigated by different sources is given in the table that follows.

Area Irrigated by Different Sources (million hectares)

	1981-82	1983-84	1984-85	1985-86
Canals	11.50	11.43	11.89	11.89
Tanks	0.06	0.06	0.06	0.06
Wells	0.30	0.22	0.31	0.31
Tubewells	3.09	3.19	3.24	3.24
Others	0.64	0.67	0.26	0.26
Total	15.57	15.57	15.76	15.76

Source: Ministry of Food, Agriculture and Co-operatives

Under the On-Farm Water Management Programme, initiated primarily to reduce water losses and to increase irrigation efficiency, 1,985 water courses had been improved during 1985-86 and another 1,978 are expected to be improved during the current year.

Similarly, 11,644 hectares of land had been brought under precision land levelling during 1985-86 and another 10,857 hectares are likely to be covered under the scheme during the current year.

### Waterlogging

The twin menace of waterlogging and salinity is negating some of the effects of the increased use of various agricultural inputs. Around eight million hectares of land, which is over 39 per cent of the total cultivated area, is such that the water table is within 10 feet of the surface, which is the danger zone for waterlogging.

About 3.5 million hectares of land have already been affected seriously by salinity. Calculations made by various experts indicate that 20 per cent of all agriculture is affected by waterlogging and salinity.

Waterlogging and salinity are being checked by the installation of tubewells and other methods of drainage, proofing of canal beds with concrete, opening out closed and obstructed drains, replacing canal irrigation by well irrigation and by encouraging cultivators to economise water.

About 45 per cent of water resources are wasted annually in transit.

Increased supplies of water would help in bringing more area under cultivation, improved yield per hectare and a healthy change in cropping pattern through the sowing of high value crops on a large scale.

### Water Management

The government is pursuing a three-part water management strategy:

- i) protection of fertile lands and infrastructure from onslaught of waterlogging, salinity and floods,
- ii) improvement in the existing ailing irrigation and drainage system, and
- iii) extension of irrigation for achieving higher agricultural production.

Under the SCARP programme, more than 12,500 tubewells have been installed so far, to check waterlogging and salinity and an accelerated programme is under implementation. With these programmes an area of over 2.5 million hectares has been protected from waterlogging and salinity.

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